

Kansas Register

Ron Thornburgh, Secretary of State

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State Conservation Commission

Notice of Meeting

The State Conservation Commission will meet at 9 a.m. Monday, March 27, in the State Conservation Commission's conference room, Suite 500, 109 S.W. 9th, Topeka. A copy of the agenda may be obtained by contacting Lola Warner at (785) 296-3600. If special accommodations are needed, contact the agency three days in advance of the meeting date.

Tracy D. Streeter Executive Director

Doc. No. 024904

State of Kansas

Pooled Money Investment Board

Notice of Investment Rates

The following rates are published in accordance with K.S.A. 75-4210. These rates and their uses are defined in K.S.A. 1999 Supp. 12-1675(b)(c)(d), and K.S.A. 75-4201(l) and 75-4209(a)(1)(B).

Effective 3-6-00 through 3-12-00

Term	Rate
1-89 days	5.77%
3 months	5.80%
6 months	6.12%
	6.20%
12 months	6.27%
18 months	6.48%
24 months	6.51%

Derl S. Treff Director of Investments

Doc. No. 024886

State of Kansas

Department of Administration Division of Architectural Services

Notice of Commencement of Negotiations for Surveying Services

Notice is hereby given of the commencement of negotiations for an architectural and engineering land survey of the Larned State Hospital campus. The survey is to include the location of all buildings, roads, parking lots, sidewalks, utility tunnels, utilities above and below ground and in tunnels, recreation areas and security fenced-in areas. Also included is a topographic survey and location of trees Larned State Hospital consists of 74 buildings on about 200 acres of land.

For information regarding the scope of services, contact Gary LaShell, Department of Social and Rehabilitation Services, (785) 296-3771.

If interested, an original and six copies (seven total) of the SF 255 form (plus relevant attachments of information regarding similar projects) should be submitted. These submittals should be concise, relevant to the project and follow the State Building Advisory Commission guidelines for submittal. Copies of the guidelines have previously been distributed to firms; if copies of the guidelines are required, contact Gary Grimes, Division of Architectural Services, 1020 S. Kansas Ave., Topeka, 66612-1311, (785) 296-8899. Submittals not complying with the guidelines will be returned without consideration.

Expressions of interest and the SF 255 submittals should be received by Gary Grimes before 5 p.m. March 24.

Thaine Hoffman, AIA Director, Division of Architectural Services

Doc. No. 024905

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Register Office: Garden Level, Memorial Hall (785) 296-3489 Fax (785) 368-8024

Kansas State University

Notice to Bidders

Sealed bids for the item listed below will be received by the Kansas State University Purchasing Office, Manhattan, until 2 p.m. local time on the date indicated and then will be publicly opened. Interested bidders may call (785) 532-6214 or fax (785) 532-5577 for additional information.

Monday, March 20, 2000 #00180

Circular dichroism spectrometer

William H. Sesler Director of Purchasing

Doc. No. 024912

State of Kansas

Department of Administration **Division of Architectural Services**

Notice of Commencement of **Negotiations for Engineering Services**

Notice is hereby given of the commencement of negotiations for structural/civil engineering services for the Kansas Department of Agriculture (KDA). The selected firm will provide on-call engineering services for the department in its enforcement of the fertilizer containment laws and supervision of approximately 750 facilities in Kansas. Services will include reviewing the drawings and plans proposed by the facilities and providing recommendations to KDA and facility owners after reviewing the plans; some on-site visits of containment facilities; conducting training of KDA inspectors; and providing 24-hour emergency assistance in the case of a fertilizer spill. A contract will be offered for one year with the option of renewing each year, for a total of three years. More than one firm may be selected; firms should advise if they have geographical limitations.

For information regarding the scope of services, contact Dale Lambley, Department of Agriculture, (785) 296-3786.

If interested, an original and six copies (seven total) of the SF 255 form (plus relevant attachments of information regarding similar projects) should be submitted. These submittals should be concise, relevant to the project and follow the State Building Advisory Commission guidelines for submittal. Copies of the guidelines have previously been distributed to firms; if copies of the guidelines are required, contact Gary Grimes, Division of Architectural Services, 1020 S. Kansas Ave., Topeka, 66612-1311, (785) 296-8899. Submittals not complying with the guidelines will be returned without consideration.

Expressions of interest and the SF 255 submittals should be received by Gary Grimes before 5 p.m. March

> Thaine Hoffman, AIA Director, Division of **Architectural Services**

State of Kansas

Kansas Performance Review Board

Notice of Preliminary Recommendation

The Kansas Performance Review Board recommends the modification of the Division of Purchasing and certain purchasing procedures to improve customer service and lower the costs of goods and services.

After a thorough review of all aspects of purchasing activities within the state, the board concludes that the Division of Purchasing can better manage statewide purchasing needs by establishing a section for contract administration within the Division of Purchasing, issuing a policies and procedures manual, improving in-house and agency training, and solving automation problems.

Specifically, the board recommends that the Division of Purchasing establish and maintain a contract administration section for the purpose of template up-dating, contract amending, contract monitoring, vendor performance and other aspects associated with thorough contract management.

The Director of Purchasing must finalize and publish a policies and procedures manual at the earliest opportunity. This manual should be coordinated with using agencies with input from an ad hoc vendor's group. This manual should be posted on the division's web-site and reviewed periodically.

In order to solve both operational deficiencies and personnel training needs, the Division of Purchasing should create a comprehensive training program for its internal staff and for agency personnel associated with procurement. By doing so, Central Purchasing will be able to establish standards, cross-train individuals and increase

The Division of Purchasing must address its automation needs by first fixing the short-term DTI system deficiencies and then by finding a long-term solution to procurement automation. In doing so, Central Purchasing should consider becoming a part of a statewide financial information system. In its absence, Central Purchasing should consider an independent procurement system for long-term management.

These measures will aid the Division of Purchasing in solving existing problems, increasing customer satisfaction, and improving vendor relationships.

The Kansas Performance Review Board invites public comment on this preliminary recommendation at 10:30 a.m. April 25 in Room 313-S, State Capitol, 300 S.W. 10th Ave., Topeka.

Questions or comments may be directed to Robert L. Stockwell, Executive Director, Kansas Performance Review Board, 800 S.W. Jackson, Suite 817, Topeka, 66612, (785) 296-4401 or fax (785) 296-4360.

> Robert L. Stockwell **Executive Director**

Doc. No. 024895

Kansas Commission on Veterans' Affairs

Notice of Meeting

The Kansas Commission on Veterans' Affairs will meet at 1 p.m. Friday, March 17, in the State Bank Commissioner's office, third floor conference room, Jayhawk Tower, 700 S.W. Jackson, Topeka. The public is invited to attend. For more information, call (785) 296-3976.

Stoney Wages Executive Director

Doc. No. 024902

State of Kansas

Department of Administration Division of Purchases

Notice to Bidders

Sealed bids for the following items will be received by the Director of Purchases, Room 102, Landon State Office Building, 900 S.W. Jackson, Topeka, until 2 p.m. on the date indicated and then will be publicly opened. Interested bidders may call (785) 296-2377 for additional information:

Monday, March 20, 2000

01011

State Corporation Commission—Abandoned Well-Plugging, Fraker Lease Project

01254

Statewide—Stock Computer Forms

Tuesday, March 21, 2000

A-8916

Department of Transportation—Chemical Storage Building, El Dorado

01249

Department of Wildlife and Parks—Fishing Lake Maintenance, Various Locations

Wednesday, March 22, 2000

A-8834

Larned State Hospital—Replace and Upgrade Piping, Jung Building

A-8958

Department of Wildlife and Parks—Southwinds Campground Building, Lovewell State Park, Jewell County

01235

Kansas Veterans' Home—Clinical Assessment Program

Thursday, March 23, 2000

A-8901

University of Kansas—Partial Tuckpoint, Learned Hall

01260

All Agencies of the State of Kansas—Room Air Conditioners

Wednesday, April 5, 2000

01173

Various Board of Regents Institutions—Individual Professional Liability Insurance, Various Locations

Request for Proposals

Tuesday, March 21, 2000

01269

Auditor for Holders of Unclaimed Property for the Kansas State Treasurer

Wednesday, March 22, 2000

01251

Lawn and Garden Equipment for Kansas State University

Wednesday, April 12, 2000

00947

Prescription Drug Component of Health Plan for the Department of Administration, Health Care Commission

01138

Dental Component of Health Plan for the Department of Administration, Health Care Commission

John T. Houlihan Director of Purchases

Doc. No. 024909

State of Kansas

Legislature

Legislative Bills and Resolutions Introduced

The following numbers and titles of bills and resolutions were introduced February 24—March 1°by the 2000 Legislature. Copies of bills and resolutions are available free of charge from the Legislative Document Room, 145-N, State Capitol, 300 S.W. 10th Ave., Topeka, 66612, (785) 296-4096.

House Bills

HB 3008, An act repealing K.S.A. 20-301b; relating to requiring at least one judge in each county, by Committee on Appropriations.

Senate Bills

SB 651; An act concerning insurance; relating to reciprocal insurance companies; amending K.S.A. 40-1601, 40-1602, 40-1603, 40-1604, 40-1605, 40-1606, 40-1607, 40-1608, 40-1610, 40-1611, 40-1612 and 40-1613 and K.S.A. 1999 Supp. 40-1620 and 40-1622 and repealing the existing sections; also repealing K.S.A. 40-1614, by Committee on Federal and State Affairs.

Senate Concurrent Resolutions

SCR 1629, A proposition to amend section 1 of article 11 of the constitution of the state of Kansas, relating to the classification and taxation of aircraft and watercraft.

Senate Resolutions

SR 1815, A resolution congratulating and commending the Wichita Chapter of Links.

SR 1816, A resolution congratulating and commending Lydia Gonzales.

Department of Revenue Division of Vehicles

Notice of Intent to Establish an Additional Line-Make for an Existing New Motor Vehicle Dealer

Notice has been received from Kawasaki Motors Corp., U.S.A. that Kanza Dealers LLC, dba Great Plains Honda Yamaha, Kansas Dealer #875, will be adding Kawasaki as a new line-make to its dealership located at 412 S. Main St., South Hutchinson.

Pursuant to K.S.A. 1999 Supp. 8-2430(c), any new motor vehicle dealer may protest the proposed addition of a new line-make at Kanza Dealers LLC, dba Great Plains Honda Yamaha, if that new motor vehicle dealer has a franchise agreement for the same line-make vehicle as that which is to be added by Kanza Dealers LLC, dba Great Plains Honda Yamaha, at the current location, and provided that the new motor vehicle dealer is physically located such that its relevant market area, as defined in K.S.A. 1999 Supp. 8-2430 (e), includes the location where the new Kawasaki dealership will be located.

Pursuant to K.S.A. 1999 Supp. 8-2430(a), any petition or complaint must be filed with Sheila Walker, Director, Division of Vehicles, Room 162-S, Docking State Office Building, 915 S.W. Harrison, Topeka, 66626, within 30 days of this published notice.

Karla Pierce Secretary of Revenue

Doc. No. 024898

State of Kansas

Department of Agriculture

Request for Comments on Proposed Special Local Need Registration

Notice is hereby given that American Cyanamid Company has requested a Special Local Need (SLN) registration, Section 24(c) FIFRA exemption, to allow for the use of Plateau® herbicide (imazapic), EPA Registration Number 241-365, to control Johnsongrass (Sorghum halepense) on Conservation Reserve Program (CRP) lands in Kansas. The Kansas Department of Agriculture (KDA) has estimated that Johnsongrass accounts for about 1 percent of the 3 million acres of CRP land in Kansas. Johnsongrass is a pernicious perennial weed that can cause tremendous economic losses in Kansas croplands. It reproduces and spreads vegetatively by rhizome spread and through seed production and dispersal.

The Kansas Noxious Weed Law requires land owners and managers to control Johnsongrass. However, there currently are no effective options for Johnsongrass control in CRP land without also killing or severely injuring desirable native warm season grasses that include big bluestem, little bluestem, Indiangrass, sideoats and blue grama. Roundup[®] herbicide is the most commonly used herbicide for Johnsongrass control, but it is not selective in CRP grasses.

in CRP grasses.

Plateau[®] herbicide in currently registered for use in Kansas for control of Johnsongrass and other weeds in noncropland and roadsides. Native grasses and many

common wildflowers are not susceptible to injury from Plateau[®]. Thus, Plateau[®] can provide good Johnsongrass control, while renovating and enhancing the quality of CRP grass stands. The ability to selectively control Johnsongrass in CRP would allow farmers to remain in compliance with both the CRP requirements and the Kansas Noxious Weed Law. According to an extension specialist in weed science at Kansas State University, "Approval of this treatment would be a great service to the farmers and citizens of Kansas."

Last year, Nebraska and South Dakota obtained EPA approval for a Specific Emergency Exemption (Section 18) for Plateau[®] to control leafy spurge in pasture/rangeland and CRP land at rates up to 12 fluid ounces per acre (0.18 pound active ingredient per acre). The EPA has established time-limited tolerances for livestock grazing or feeding on the hay (Federal Register, October 6, 1999, Vol-

ume 64, Number 193).

This year, Kentucky, Maryland, Missouri and Virginia also are seeking SLNs for CRP lands for their respective states. The product is labeled for use on CRP land for the establishment or release of big bluestem, little bluestem, Indiangrass, sideoats and blue grama, but at a rate not to exceed 4 fluid ounces/acre (0.06 pound active ingredient per acre). Present labeling rates do not, however, control Johnsongrass in CRP land. Studies have shown that application rates of Plateau® of 8 to 10 fluid ounces per acre (0.12 pound to 0.15 pound active ingredient per acre) will control Johnsongrass in CRP land and not harm any of the native warm season grasses. Since CRP land can be grazed or hayed during emergency conditions, such as a drought, the KDA is imposing two restrictions for the SLN label. The two restrictions are: Do not allow livestock to graze treated area for seven days after treatment with Plateau® herbicide, and do not cut treated forage for hay for seven days after treatment with Plateau® herbicide. In addition, the proposed SLN has an expiration date of December 31, 2000, which corresponds to the expiration of the EPA-established Section 18 time-limited tolerances.

In addition to the letter from the registrant requesting the SLN, letters of support have been received from an extension specialist in weed science from Kansas State University, from the state conservationist from the Natural Resources Conservation Service, and from a county noxious weed director in western Kansas. The use also is supported by the state weed specialist in the Plant Protection Program of the KDA.

Based upon the application materials provided, the KDA proposes to establish a Section 24(c) registration, with a proposed expiration date of December 31, 2001. All food tolerances and supportive data needed to permit the requested use of Plateau® herbicide have been issued.

Information submitted by the applicant is on file with the KDA, and anyone wanting to present written comments, data or other evidence in support of or in opposition to the proposed registration may do so on or before the close of business March 20. Prepared documents or data should be addressed to John K. Stamer, Program Associate, Kansas Department of Agriculture, 109 S.W. 9th, 3rd Floor, Topeka, 66612-1281.

Jamie Clover Adams Secretary of Agriculture

Information Network of Kansas

Notice of Meeting

The Information Network of Kansas Board of Directors will meet at noon Thursday, March 16, at the Top of the Tower, Starlight Room, 534 S. Kansas Ave., Topeka. The meeting is open to the public. For more information, call (785) 296-1460.

Leroy Gattin Chairmán

Doc. No. 024897

State of Kansas

Department of Health and Environment

Request for Comments

The Kansas Department of Health and Environment is soliciting comments regarding a proposed air quality operating permit. Coastal Field Services Co., Hugoton #1 Compressor Station has applied for a Class I operating permit in accordance with the provisions of K.A.R. 28-19-510 et seg. The purpose of a Class I permit is to identify the sources and types of regulated air pollutants emitted from the facility; the emission limitations, standards and requirements applicable to each source; and the monitoring, record keeping and reporting requirements applicable to each source as of the effective date of permit issuance.

Coastal Field Services Company, Houston, Texas, owns and operates a natural gas compressor station located at

S27-T27S-R34W, Haskell County, Kansas.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review during normal business hours at the KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, and at the KDHE Southwest District Office, 302 W. McArtor Road, Dodge City, for a period of 45 days from the date of publication of this notice. To obtain or review the proposed permit and supporting documentation, contact Michael Stewart, (785) 296-1994, at the KDHE central office, or Wayne Neese, (316) 225-0596, at the KDHE Southwest District Office. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the proposed permit to Michael Stewart, KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, 66620. In order to be considered in formulating a final permit decision, written comments must be received not

later than the close of business April 24.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall be in writing and set forth the basis for the request. The written request must be submitted to Connie Carreno, Bureau of Air and Radiation, not later than the close of business April 24 in order for the Secretary of Health and Environment to consider the request.

The United States Environmental Protection Agency has a 45-day review period, until April 24, within which to object to the proposed Class I operating permit. If the EPA has not objected in writing to the issuance of the permit within the 45-day review period, any person may petition the administrator of the EPA within 60 days after the expiration of the 45-day review period to review the permit. Any such petition shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided for in this notice; unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objection arose after such period. Contact Gary Schlicht, EPA, Region VII, Air Permitting and Compliance Branch, 901 N. 5th, Kansas City, KS 66101, (913) 551-7097, to determine when the 60-day petition period commences.

> Clyde D. Graeber Secretary of Health and Environment

Doc. No. 024893

State of Kansas

State Corporation Commission

Notice of Hearing

Pursuant to K.S.A. 55-703, the State Corporation Commission has directed that an investigation be instituted and a hearing conducted to determine the reasonable market demand for gas produced from the following fields for the period of April 1, 2000 through September 30, 2000, inclusive; to determine the deliverability and acreage attributable to each of the wells therein; and to fix gas production percentages and quotas for wells within said fields. Evidence will be received by the commission for the above purposes and for determining and fixing the allowables for each of the wells within the following fields for the proration period:

- Greenwood gas field in Morton County
- Hugoton gas field in Finney, Grant, Gray,
 Hamilton, Haskell, Kearny, Morton, Seward,
 Stanton, Stevens and Wichita counties
- —Panoma-Council Grove gas field in Finney, Grant, Hamilton, Haskell, Kearny, Morton, Seward, Stanton, Stevens and Wichita counties
- Glick (Mississippi) gas pool in Barber,
 Comanche and Kiowa counties

The hearing will be at 10 a.m. Monday, March 27, in Room 2078, Finney State Office Building, 130 S. Market, Wichita. Any person requiring accommodations under the Americans With Disabilities Act should give notice to the commission at least 10 days prior to the hearing date.

Further information may be obtained by contacting John McCannon, Assistant General Counsel, State Corporation Commission, Conservation Division, Room 2078, Finney State Office Building, 130 S. Market, Wichita, 67202, (316) 337-6200.

Jeff Wagaman Executive Director

Doe. No. 024896

Department of Health and Environment

Request for Comments

The Kansas Department of Health and Environment is soliciting comments regarding a proposed air quality operating permit. Coastal Field Services Co. - Hugoton #7 Compressor Station has applied for a Class I operating permit in accordance with the provisions of K.A.R. 28-19-510 et seq. The purpose of a Class I permit is to identify the sources and types of regulated air pollutants emitted from the facility; the emission limitations, standards and requirements applicable to each source; and the monitoring, record keeping and reporting requirements applicable to each source as of the effective date of permit issuance.

Coastal Field Services Company, Houston, Texas, owns and operates a natural gas compressor station located at S5-T26S-R35W, Kearny County, Kansas.

A copy of the proposed permit, permit application, all supporting documentation and all information relied upon during the permit application review process is available for public review during normal business hours at the KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, and at the KDHE Southwest District Office, 302 W. McArtor Road, Dodge City, for a period of 45 days from the date of publication of this notice. To obtain or review the proposed permit and supporting documentation, contact Michael Stewart, (785) 296-1994, at the KDHE central office, or Wayne Neese, (316) 225-0596, at the KDHE Southwest District Office. The standard departmental cost will be assessed for any copies requested.

Direct written comments or questions regarding the proposed permit to Michael Stewart, KDHE, Bureau of Air and Radiation, Building 283, Forbes Field, Topeka, 66620. In order to be considered in formulating a final permit decision, written comments must be received not later than the close of business April 24.

A person may request a public hearing be held on the proposed permit. The request for a public hearing shall be in writing and set forth the basis for the request. The written request must be submitted to Connie Carreno, Bureau of Air and Radiation, not later than the close of business April 24 in order for the Secretary of Health and Environment to consider the request.

The United States Environmental Protection Agency has a 45-day review period, until April 24, within which to object to the proposed Class I operating permit. If the EPA has not objected in writing to the issuance of the permit within the 45-day review period, any person may petition the administrator of the EPA within 60 days after the expiration of the 45-day review period to review the permit. Any such petition shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided for in this notice, unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objection arose after such period. Contact Gary Schlicht, EPA, Region VII, Air Per-

mitting and Compliance Branch, 901 N. 5th, Kansas City, KS 66101, (913) 551-7097, to determine when the 60-day petition period commences.

Clyde D. Graeber Secretary of Health and Environment

Doc. No. 024890

State of Kansas

Department of Health and Environment

Request for Comments

The Kansas Department of Health and Environment has drafted an amended permit for the Ness County Municipal Solid Waste Landfill, located in the northeast quarter of Section 31, Township 17S, Range 23W, 6 miles north of Ness City on U.S. Highway 283 and ½ mile west. The amended permit references new landfill final closure plans and a revised operational report. The county recently made submittals that place this landfill in compliance with new state and federal regulations for small arid landfills, which became effective October 9, 1997. KDHE has drafted an amended permit to reflect these submittals. KDHE is providing public notice of its intent to issue an amended municipal solid waste landfill permit to Ness County.

A copy of the administrative record, which includes the draft permit and all information regarding this permit action, is available for public review until April 10 during normal business hours, Monday through Friday, at the following locations:

Kansas Department of Health and Environment Permits Section Bureau of Waste Management Forbes Field, Building 740 Topeka, 66620 Contact: Stacey Baalman (785) 296-3970

Ness County Courthouse 202 W. Sycamore Ness City, 67560 Contact: Ramona Meis, County Clerk (785) 798-2401

Anyone wishing to comment on the draft permit information should submit written statements postmarked not later than April 10 to Stacey Baalman (KDHE). After consideration of all comments received, the director of the Division of Environment will make a final decision on whether to issue the amended permit. Notice of the decision will be given to anyone who submitted written comments during the comment period and to those who requested notice of the final permit decision.

Clyde D. Graeber Secretary of Health and Environment

State Corporation Commission

Notice of Motor Carrier Hearings

The following motor carriers have filed various applications and are scheduled for hearing at 9:30 a.m. March 28 before the commission at its offices, 1500 S.W. Arrowhead Road, Topeka, as indicated below. All applications listed herein are for statewide authority, unless otherwise stated. This list does not include cases that have been continued from earlier assigned hearing dates for which parties of record have received notice.

Requests to inspect and copy the notices provided to the parties and questions in regard to these hearings should be addressed to the State Corporation Commission, Transportation Division, 1500 S.W. Arrowhead Road, Topeka, 66604-4027, (785) 271-3225 or 271-3151. The presiding officer for these matters is Paula Lentz, Assistant General Counsel, (785) 271-3279. Anyone needing special accommodations should give notice to the commission 10 days prior to the scheduled hearing date.

Attention should be directed to Kansas Administrative Regulation 82-1-228, "Rules of Practice and Procedure Before the Commission."

Applications for Certificate of Public Service:

Merle Allen, Jr., dba Allen Trucking, Route 1, Box 87B, Drexel, MO 64742; MC ID No. 156772; General commodities (except household goods and hazardous materials).

William M. Ammons, dba B & L Wrecker Service, 510 N. Hill, Scammon, KS 66773; MC ID No. 158456; Wrecked, disabled, repossessed and replacement vehicles.

Lee Brin, dba Lee Brin Trucking, 1707 Rush, Salina, KS 67401; MC ID No. 157422; Prestressed concrete.

Carney Trucking, Inc., 122 S. Main, Partridge, KS 67566; MC ID No. 157427; Joseph Weiler, Attorney; General commodities (except Classes A and B explosives and household goods).

Randy Freeman, dba R & Dee Trucking, 110 Wheeler, Belpre, KS 67519; MC ID No. 158062; General commodities (except household goods).

Saul V. Garza, dba Saul Garza Trucking, B 29 Meadows, Alliance, NE 69301; MC ID No. 158455; General commodities (except household goods and hazardous materials).

Tobias Goertzen, dba Goertzen Trucking, PO Box 366, Lakin, KS 67860; MC ID No. 157428; General commodities (except explosives, household goods and hazardous materials).

Stanley Huiting, dba Stan Huiting Trucking, Route 1, Box 32A, Downs, KS 67437; MC ID No. 156992; General commodities (except household goods).

Jim Hunter, dba Hunter Trucking, 222 E. Main, Kirwin, KS 67644; MC ID No. 158339; William Barker, Attorney; General commodities (except household goods and hazardous materials).

M & L Trucking, Inc., 620 W. Chestnut St., Stafford, KS 67578; MC ID No. 158373; William Barker, Attorney; General commodities (except household goods and hazardous materials)

John R. Mayes, Jr., dba Mayes Trucking, 2787 Lark Road, Abilene, KS 67410; MC ID No. 157425; General commodities (except household goods and hazardous materials).

Thomas E. Molt, dba Tom's Towing and Wrecker Service, 248 W. 12th St., Horton, KS 66439; MC ID No. 158458; Wrecked, disabled, repossessed and replacement vehicles.

James F. Mosher, dba Mosher Trucking, 1504 Archer, Concordia, KS 66901; MC ID No. 158253; General commodities (except household goods and hazardous materials).

National Express Company, Inc., dba C D & L, 5800 Fee Fee Road, Hazlewood, MO 63042; MC ID No. 157429; Joseph Rebman, Attorney; General commodities (except household goods and salt water).

Glen J. Olbricht, dba G.O. Trucking, 4230 N. K-15 Hwy, Newton, KS 67114; MC ID No. 158457; General commodities (ex-

cept household goods).

Pampa Halcon, Inc., 415 N. Main, Scott City, KS 67871; MC ID No. 157426; General commodities (except explosives, house-hold goods and hazardous materials).

Perryman Refrigerated Lines, L. P., 8500 Kenworth Ave., Dallas, TX 75241; MC ID No. 239388; Frank Taylor, Attorney;

Grocery products.

Randy Schaaf, dba Randy Schaaf Trucking, 971 5th Road, Palmer, KS 66962; MC ID No. 158453; William Barker, Attorney; General commodities (except household goods and hazardous materials).

Gary E. Schmutz, dba Schmutz Trucking, 133 Utah Road, Wakefield, KS 67847; MC ID No. 157421; General commodities (except household goods and hazardous materials).

Gale Shellito, 130615 Lockwood Road, Gering, NE 69341; MC ID No. 156823; General commodities (except household goods and hazardous materials).

Jody Shellito, 130615 Lockwood Road, Gering, NE 69341; MC ID No. 229004; General commodities (except household goods and hazardous materials).

Shives Transportation, Inc., 505 S. Jackson, Springhill, KS 66083; MC ID No. 157430; General commodities (except household goods and hazardous materials).

Slemp Farms L.L.C., HC 01, Box 44A, Hugoton, KS 67951; MC ID No. 157431; General commodities (except explosives, household goods and hazardous materials).

Smith Trucking, Inc., 117 E. Maywood, Wichita, KS 67216; MC ID No. 157424; Kathleen Kent, Attorney; General commodities (except household goods and hazardous materials).

Lonnie M. Werth, dba LW Transport, 2013 S. Broadway, Wichita, KS 67211; MC ID No. 157420; Used automobiles.

Stan Windholz, dba Windholz Trucking, Route 1, Box 96, Hill City, KS 67642; MC ID No. 158454; General commodities (except household goods, passengers and hazardous materials).

Application for Certificate of Convenience and Necessity:

Milepost Transportation Services, LLC, 113 Evans Ave., Raymore, MO 64083; MC ID No. 157423; Railroad train crews and their baggage.

Applications for Transfer of Certificate of Public Service:

Gene Bachman, dba Bachman Towing & Recovery, Industrial Park, Moundridge, KS 67107, MC ID No. 118453, to: Christopher L. Unruh and Galen L. Unruh, dba Bachman Towing & Recovery, 315 S. Spencer, Newton, KS 67114; Wrecked, disabled, replacement and repossessed vehicles and trailers, recreational vehicles, motorcycles and boats.

Leonard Fleckenstein, dba L & D Trucking, Route 1, Jennings, KS 67643, MC ID No. 152818, to: D & L Trucking L.L.C., HC 1, Jennings, KS 67643; John McClymont, Attorney; General commodities (except household goods and hazardous materials).

Applications for Abandonment of Certificate of Public Service:

Kirk Earl Dickson, 616 Larimer, Pratt, KS 67124; MC ID No. 154101

Dreiling Lease Service, Inc., 162 Chicago, Gorham, KS 67640; MC ID No. 136362.

Elite Courier, L.L.C., 1425 S.W. Blvd., Kansas City, KS 66103; MC ID No. 153443.

Rodney J. Steckel, dba Rod Steckel, 740 Main, Suite 203, Russell, KS 67665; MC ID No. 150231.

Sunrise Carriers, Inc., Route 2, Box 142, Liberal, KS 67901; MC ID No. 151640.

Jacquelyn S. Miller Administrator Transportation Division

Doc. No. 024903

State of Kansas

Department of Health and Environment

Notice of Hearing

The Kansas Department of Health and Environment has prepared a proposed Kansas Water Pollution Control Permit, A-CIGT-H001, for Seaboard Farms, Inc. - Thurow Sites located near Moscow. Seaboard Farms, Inc. - Thurow Sites proposes a new facility for the confined feeding of 64,800 head (25,920 animal units) of swine weighing more than 55 pounds. The proposed facility location is in Sections 27, 28 and 29, Township 30S, Range 36W of Grant County. The proposed permit for Seaboard Farms, Inc. - Thurow Sites was placed on Public Notice No. KS-AG-00-063 dated March 2, 2000.

A public hearing has been scheduled, in conformance with Kansas Administrative Regulation 28-16-61, on KDHE's intention to issue the proposed permit. The hearing will be at 7 p.m. Thursday, April 13, at Kepley Middle School Auditorium, 1313 N. Colorado St., Ulysses.

Copies of the applicant's application, draft permit and other pertinent documents may be requested by contacting Dena Endsley, Kansas Department of Health and Environment, Bureau of Water, Livestock Waste Management Section, Forbes Field, Building 283, Topeka, 66620, (785) 296-6432 or fax (785) 296-5509. Appropriate copying charges will be assessed for each request.

Persons wishing to comment on the proposed permit may do so at the public hearing or may submit written statements to the above address by April 11. It is recommended that persons wishing to present oral testimony at the public hearing supply the hearing officer with a written copy of the testimony.

Any individual with a disability may request accommodation in order to participate in the public hearing process and may request the proposed permit in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting KDHE at the above address.

The Secretary of Health and Environment will make a final permit decision after consideration of all requirements of state statutes and regulations and comments received during the public notice and public hearing processes.

Clyde D. Graeber Secretary of Health and Environment

Doc. No. 024901

State of Kansas

Department of Health and Environment

Notice Concerning Kansas Water Pollution Control Permits

In accordance with Kansas Administrative Regulations 28-16-57 through 63, 28-18-1 through 15, 28-18-1 through 32, 28-16-150 through 154, 28-46-7, and the authority vested with the state by the administrator of the U.S. Environmental Protection Agency, draft permits have been prepared and/or permit applications have been received for discharges to the waters of the United States and the State of Kansas for the class of discharges described below. The determinations for permit content are based on staff review, applying the appropriate standards, regulations and effluent limitations of the State of Kansas and the EPA, and when issued will result in a State Water Pollution Control Permit and National Pollutant Discharge Elimination System Authorization subject to certain conditions.

All Kansas Department of Health and Environment district office addresses and telephone numbers are listed below.

Public Notice No. KS-AG-00-064/069 Pending Permits for Confined Feeding Facilities

U.		
Name and Address	Legal	Receiving
of Applicant	Description	Water
Emmett M. Simon Dairy	NE/4 of Section 19,	Lower Arkansas
4961 S. Maize Road	T28S, R1W,	River Basin
Clearwater, KS 67026	Sedgwick County	

Kansas Permit No. A-ARSG-M038

This is a new permit for an existing facility for 200 head (280 animal units) of mature dairy cattle.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: Dewatering equipment shall be obtained within three months after the issuance of the permit and written verification submitted to the department. A lagoon liner integrity test shall be conducted before the lagoon can be used.

•	Q	
Name and Address of Applicant	Legal Description	Receiving Water
Goetz Dairy Wilbert Goetz	NE/4 of Section 32, T9S, R27W,	Saline River Basin
Route 1, PO Box 13 Park, KS 67751	Sheridan County	
TAIN, NO U//OI		

Kansas Permit No. A-SASD-M001

This is a permit renewal for an existing facility for 490 head (686 animal units) of dairy cattle.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: A livestock waste management plan shall be developed and submitted to the department by June 30, 2000. The approved plan will become part of the permit.

Name and Address of Applicant	Legal Description	Receiving Water
Jason Wiebe Dairy 2920 Goldenrod	SW/4 of Section 8, T18S, R2E, Marion	Neosho River Basin
Durham, KS 67438	County	Dasin

Kansas Permit No. A-NEMN-M001

This is a permit modification and expansion for an existing facility for 220 head (258 animal units) of dairy cattle.

(continued)

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: The approved waste management plan shall be adhered to as a condition of the permit. Revisions to the approved livestock waste management plan shall be made to include handling and disposal equipment for liquid waste, land application practices used to protect against runoff and leaching, wastewater application rates based on crop nutrient utilization, and identification of adequate land areas for application of all wastes. Dewatering equipment capacity requirements shall be addressed in the revised plan. Revisions to the plan shall be submitted to the department within 90 days of the effective date of the permit. KDHE shall observe placement of the liner backfill material. Permeability tests shall be conducted on the proposed wetland cell. Test procedures and readings shall be viewed and recorded by a KDHE representative.

Name and Address	Legal	Receiving
of Applicant	Description	Water
Ron and/or Bret Edgington	NW/4 of Section 18,	Upper Arkansas
Route 3, Box 69	T26S, R38W,	River
Ulysses, KS 67880	Kearny County	Basin
Kansas Permit No. A-UAKE	-S004	

This is a permit renewal for 350 head (140 animal units) of swine weighing greater than 55 pounds each.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: Existing controls meet KDHE requirements.

Name and Address	Legal Receiving	
	Description Water	111
Wayne Bozman	SW/4 of Section 24, Verdigris Rive	r
	T34S, R18E, Labette Basin	
Edna, KS 67342	County	إح أ

Kansas Permit No. A-VELB-M004

This is a permit renewal on an existing facility for 90 head (126 animal units) of mature dairy cattle.

Wastewater Control Facilities: Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: Existing controls meet KDHE requirements.

Name and Address	Legal	Receiving
of Applicant	Description	Water
Callarman Farms	NE/4 of Section 35,	Verdigris River
Route 1, Box 108	T29S, R16E, Wilson	Basin
Altoona, KS 66710	County	
Kansas Permit No. A-VEML-	M001	em en

This is a permit renewal for an existing facility for 150 head (210 animal units) of mature dairy cattle.

Wastewater Control Facilities; Wastewater will be impounded for subsequent application to agricultural land for beneficial use. Wastewater storage capacity will be provided which meets or exceeds KDHE minimum requirements.

Compliance Schedule: Existing controls meet KDHE requirements.

Persons wishing to comment on or object to the draft permits and/or permit applications must submit their comments in writing to the Kansas Department of Health and Environment if they wish to have the comments or objections considered in the decision making process. Comments or objections should be submitted to the attention of Dena Endsley for agricultural permits or applications, or to the permit clerk for all other permits, at the Kansas Department of Health and Environment, Division of Environment, Bureau of Water, J Street and 2 North, Forbes Field, Building 283, Topeka, 66620.

All comments regarding the draft permit or application notice postmarked or received on or before April 8 will be considered in the formulation of final determinations regarding this public notice. Please refer to the appropriate Kansas permit number (KS-AG-00-064/069) and name of applicant/application as listed when preparing comments.

If no objections are received during the public notice period regarding any proposed permit, the Secretary of Health and Environment will issue the final determination regarding issuance or denial of the proposed permit. If response to this notice indicates significant public interest, a public hearing may be held in conformance with K.A.R. 28-16-61 (28-46-21 for UIC). Media coordination for publication and/or announcement of the public notice or public hearing is handled by the Kansas Department of Health and Environment.

For agricultural permits and applications, a copy of the permit application, supporting documentation, and a KDHE-developed fact sheet, if appropriate, is available for review at the appropriate district office:

Northwest District Office, 2301 E. 13th, Hays, 67601-2651, (785) 625-5664

North Central District Office, 2501 Market Place, Salina, 67401-7699, (785) 827-9639

Northeast District Office, 800 W. 24th, Lawrence, 66046-4417, (785) 842-4600

Southwest District Office, 302 W. McArtor Road, Dodge City, 67801-6098, (316) 225-0596

South Central District Office, 130 S. Market, 6th Floor, Wichita, 67202-3802, (316) 337-6020

Southeast District Office, 1500 W. 7th, Chanute, 66720, (316) 431-2390

Plans and documents for all new facilities and for expansions of existing swine facilities also may be reviewed on the Internet at www.kdhe.state.ks.us.

For all other proposed permits, the draft permit(s), including proposed effluent limitations and special conditions, fact sheets as appropriate, comments received and other information, are on file and may be inspected at the offices of the Kansas Department of Health and Environment, Bureau of Water.

Division of Environment offices are open from 8 a.m. to 5 p.m. Monday through Friday, excluding holidays. These documents are available upon request at the copying cost assessed by KDHE. Additional copies of this public notice also may be obtained at the Division of Environment.

Clyde D. Graeber Secretary of Health and Environment

Department of Revenue Division of Property Valuation

Notice of Appraisal Directives

The following appraisal directives were adopted by the Director of Property Valuation pursuant to K.S.A. 79-505:

Directive #99-034

Subject: Classification of Unimproved Land use for Commercial or Industrial Purposes

A question has arisen as to how unimproved land that is used for commercial or industrial purposes should be classified for property tax purposes: as a vacant lot or as real property used for commercial and industrial purposes. This question has tax consequences to the owner of the property because a vacant lot is assessed at 12% while real property used for commercial and industrial purposes is classified at 25%. Unimproved land should be classified as commercial real property when it is used for commercial or industrial purposes.

To explain, Article 11, Section 1 of the Kansas Constitution defines the pertinent subclasses of property as follows:

Class 1 shall consist of real property. Real property shall be further classified into seven subclasses. Such property shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of value:

- (3) Vacant lots 12%

K.S.A. 79-1439 mirrors the language in the constitution. The legislature has not further defined either of the two subclasses at issue.

Real Property Used for Commercial and Industrial Purposes

Prior to the adoption of the system of classification now set forth in Article 11, Section 1 of the Kansas Constitution, the legislature defined "real property" as follows:

[T]he terms "real property," "real estate," and "land," when used in this act, except as otherwise specifically provided, shall include not only the land itself, but all buildings, fixtures, improvements, mines, minerals, quarries, mineral springs and wells, rights and privileges appertaining thereto. (K.S.A. 79-102.)

Under rules of constitutional and statutory construction, it is presumed that the legislature knew how the term "real property" was defined for property tax purposes when it drafted the classification system now set forth in Article 11, Section 1 of the Kansas Constitution, and in K.S.A. 79-1439. It is clear from K.S.A. 79-102 that the term "real property" includes land and also buildings, fixtures, improvements, etc., appertaining thereto. The definition of "real property" does not require that the land have a building or other improvement upon it

in order for it to be considered "real property." Thus, subclass (6) includes all real property used for commercial or industrial purposes, whether solely land, or land with improvements.

Vacant Lots

Subclass (3) is set forth in the Kansas Constitution and in statute as simply "vacant lots." We found no additional statutory language describing a "vacant lot" for Kansas property tax purposes. Since the term is first used in the constitution, it should be interpreted to mean what the words imply to persons of common understanding. State ex rel. Stephan v. Finney, 254 Kan. 632, 654, 867 P.2d 1034 (1994). An indication of a common man's understanding of the term "vacant lot" appears in the dictionary. In WEBSTER'S II NEW RIVERSIDE UNIVERSITY DICTIONARY (1984), "vacant" is defined, in section 3. as: "Not put to use or occupied (a weedy vacant lot)." Therefore, using a common man's definition of "vacant," land that is put to use or occupied cannot be considered a "vacant lot" for property tax purposes.

Uniformity and Equality

There is an inherent fairness issue here as well. There are commercial uses that can occur on land as well as improved land. For example, a car dealership may show cars on a grass lot or a paved lot. The paved lot would likely be more valuable than the grass lot, but that difference in the fair market value would be reflected in the county's appraised value. Beyond that, the properties should be assessed equitably at the same rate, based upon the use of the property.

Degree of Use

A very brief, insubstantial use of a vacant lot during the tax year is not sufficient to merit a change in classification. Common sense should be exercised to attain the goal of promoting uniform and accurate assessments.

Conclusion

In conclusion, unimproved land that is used for commercial or industrial purposes shall be classified as commercial real property and assessed at 25%. Land that is not put to use or occupied shall be classified as a vacant lot and assessed at 12%.

Approved: February 24, 2000.

Directive #99-037

Subject: Merchant's and Manufacturer's Inventory Exemption

This Directive Supersedes Directive No. 92-026

Directive No. 92-026 entitled "Rent to Own" Property is hereby rescinded.

Article 11, Section 1 (b) of the Kansas Constitution and K.S.A. 79-201m provide a property tax exemption for merchant's and manufacturer's inventory. The terms "merchant," "manufacturer," and "inventory" are defined in K.S.A. 79-201m. The Kansas Supreme Court issued a decision that helps define merchant's inventory. [(Board of Sedgwick County Comm'rs v. Action Rent to Own, Inc., 266 Kan. 293 (1998) (hereinafter Rent to Own, Inc.)] The court held that leased property subject to deprecia-

(continued)

tion for federal income tax purposes may still qualify for exemption if it is primarily held for sale in the ordinary course of business.

Kansas Supreme Court: leased and depreciated property may be inventory

In Rent to Own, Inc., the Kansas Supreme Court held that for purposes of K.S.A. 79-201m, a capital asset subject to depreciation for federal income tax purposes may still be considered inventory. (Rent to Own, Inc. at 303-4.) However, the property tax exemption extends only to capital assets that are primarily held for sale in the ordinary course of business. Assets that are primarily rented in the ordinary course of business are not exempt. (Rent to Own, Inc., at 304.)

In Rent to Own, Inc., the property at issue was furniture. Some of the furniture was sold outright for cash, but the vast majority of it was leased. These lease agreements allowed the lessee to acquire the furniture by renewing the lease for a specified number of consecutive periods. No additional payment was required at the end of the lease for title to transfer. The Board of Tax Appeals determined that these lease agreements were in substance finance agreements. (Rent to Own, Inc., at 300; Board of Tax Appeals Original Order No. 93-4695-TG, paragraph 49.)

From a legal perspective, the court focused on K.S.A. 79-201m (a) and (c) as these paragraphs were amended

in 1989. The relevant provisions follow:

(a) "Merchant" means and includes every person, company or corporation who shall own or hold, subject to their control, any tangible personal property within this state which shall have been purchased primarily for resale without modification or change in form or substance, and without intervening-use in the ordinary course of business without modification or change in form or substance and without any intervening use, except that, an incidental use, including but not limited to the rental or lease of any such property, shall not be deemed to be an intervening use.

(b) "inventory" means and includes those items of tangible personal property that: (1) Are primarily held for sale in the ordinary course of business (finished goods); (2) are in process of production for such sale (work in process); or (3) are to be consumed either directly or indirectly in the production of finished goods (raw materials and supplies). Assets A capital asset subject to depreciation or cost recovery accounting for federal income tax purposes shall not be classified as inventory. A depreciable asset that is retired from regular use by its owner and held for sale as standby or as surplus equipment by such owner shall not be classified as inventory. L. 1989, ch. 289, Sec. 1, Rent-to-Own, Inc. at 302.

Legislative History

Finding this language somewhat ambiguous, the Kansas Supreme Court turned to documented legislative history. The court found that the legislature intended to exempt large equipment that is occasionally leased for demonstration purposes before it is sold. However, the legislature expressly stated that it did not intend to go so far as to exempt the inventory of a regular rental business, such as a video or car rental business.

Kansas Supreme Court: a "rent to own" business differs from a "regular rental business"

The court viewed "rent-to-own" business inventory as something other than the inventory of a regular rental business. (Rent to Own, Inc., at 303.) Therefore, the court held that "rent-to-own" business inventory can qualify for exemption if the inventory is primarily held for sale in the ordinary course of business. Whether or not inventory is primarily held for sale is a question of fact generally determined by the county appraiser or the Kansas Board of Tax Appeals.

Factors used to determine whether "'rent to own" property is held primarily for sale

In Rent to Own, Inc., the Board of Tax Appeals considered the following factors when it determined that the property was primarily held for sale rather than rent:

- 1. The rent agreements were in substance sales finance agreements given their relatively short length (typically 12 months) and nominal purchase price (\$0) at the end of the agreement. (Docket No. 93-4695-TG, Original Order, paragraphs 49, 50.)
- 2. The assets that were held for sale or under contract for sale were fairly new; typically just twelve months old or less. (*Id.*, paragraph 50.) Virtually all the assets were eventually sold without modification or intervening use other than the incidental lease use. (Order on Remand, paragraph 9.)
- 3. On average, the assets were rented slightly more than two times and less than two years before being acquired by the customer. (Original Order, paragraphs 50, 51.) There was also evidence of some direct sales. (Order on Remand, paragraph 5.)

Property held for sale in the ordinary course of business

Depreciable property that is held for sale by its owner but not in the ordinary course of the owner's business does not qualify for the inventory exemption. The last sentence in K.S.A. 79-201(m)(c) states:

". . . A capital asset subject to depreciation or cost recovery accounting for federal income tax purposes that is retired from regular use by its owner and held for sale or as standby or surplus equipment by such owner shall not be classified as inventory."

Conclusion

If a county appraiser is in doubt as to whether rent-toown property is held primarily for *sale* or for *rent* in the ordinary course of business, he or she should construe in favor of taxation and assist the taxpayer in filing an application for exemption (Directive 92-025). All relevant facts should be presented to the Board to allow them to make a proper determination.

Approved: February 24, 2000.

Directive #99-038

Subject: Classification - Real Property Used for Mixed Purposes

This Directive Supersedes Directive No. 92-021

Directive No. 92-021 entitled "Mixed Use Properties" is hereby rescinded.

A question has arisen as to how to classify real property subject to mixed uses for property tax purposes. Generally, real property should be classified based upon how it is used on January 1st utilizing information that is reasonably available to the county appraiser. If it appears that the property may be subject to mixed uses, it is prudent to contact the property owner/occupant for further information. Real property with varying uses may be assigned more than one classification. If the uses are so intermingled as to defy classifying identifiable, physical portions of the property, then the property should be classified based upon its predominate use. The county has the discretion to determine the appropriate level of detail to apply for classification purposes; however, we encourage efficient use of local resources. Even when mixed uses are recognized for classification purposes, the market value of the property should continue to be determined based upon its highest and best use.

General Rule: Classify Property on January 1; **Certain Exceptions**

The county appraiser has the statutory duty to classify real property each year in accordance with K.S.A. 79-1439, which mirrors the classification system in Article 11, Section 1 of the Kansas Constitution. Property should be assessed on an annual basis based upon the property's use on January 1st. Property such as agricultural land, which has seasonal uses typical to the trade that do not necessarily take place on January 1st or on a 12-month basis, shall be classified annually based upon the overall use during the prior year or operating period. Formerly vacant land undergoing construction on January 1st should be classified according to Directive 98-031.

Leasing Accommodations: Residential vs. Commercial

Real property (or portions thereof) with more than two bedrooms furnished to accommodate transient guests shall be classified as commercial property. A transient guest is a person who occupies a room for twenty-eight (28) consecutive days or less. (See also Directive 99-039.)

Information for Classification

The county appraiser shall annually classify property based upon information that is reasonably available. For example, the county appraiser may classify real property based upon viewing its exterior during the annual final review. Or, the county appraiser may classify commercial property based upon an interior inspection of public areas and/or an interview performed in conjunction with the re-inspection performed every 6 years. (K.S.A. 79-1476.)

If the owner or an occupant of the real property provides reliable, detailed information regarding the interior use of real property, the county appraiser may utilize the information to more precisely assess the property, just as the information can be used to more accurately value the property. The county appraiser should keep in mind his or her legal authority to make any changes in value or classification. (Discussed in Directive 92-018.)

The county appraiser is not required to annually inspect the interior of every property in the jurisdiction in order to classify the property with a high degree of precision. However, if the county appraiser is aware that a property may have more than one use that could affect classification, it would be prudent to contact the owner for more information.

Real Property Subject to Mixed Uses

If real property is used for more than one purpose, it may have more than one classification. If specific portions of the real property cannot be identified as being used for specific purposes, then the real property should be classified based upon its predominate use. The county has the discretion to determine the appropriate level of detail needed for classification purposes. However, we encourage efficient use of local resources.

Valuation vs. Classification

Even when mixed uses are recognized for purposes of classifying real property, the county appraiser shall continue to determine the fair market value of the real property based upon its highest and best use. Board of Douglas County Comm'rs v. Cashatt, 23 K.A.2d 532, 933 P.2d 167 (1997) (property used for residential purposes classified as residential, but valued as commercial, its highest and best use). The exception to this rule is agricultural land, which by law is valued based upon its physical use. (Article 11, Section 12 of the Kansas Constitution, K.S.A. 79-1476, Board of Johnson County Comm'rs v. Smith, 18 K.A. 2d 662, 857 P.2d 1386 (1993).)

Approved: February 24, 2000.

Directive #99-039

Subject: Classification and Valuation of Bed and **Breakfast Facilities**

A question has arisen as to how a bed and breakfast facility should be classified. A bed and breakfast facility which has more than two bedrooms furnished to accommodate guests should be classified as commercial, at least in part, if the occupants stay 28 consecutive days or less. If the occupants stay more than 28 consecutive days, then the bed and breakfast facility should be classified as residential.

A related question has arisen as to how a bed and breakfast should be valued. The real property should be valued based upon its fair market value, taking care not to include the value of the personal property or going concern. The personal property should be valued as commercial and industrial machinery and equipment, if it is used to produce income. Personal property that has a retail cost when new of \$250 or less may be exempt at the county appraiser's discretion. If the personal property is a household good or personal effect that is not used to produce income, it may be exempt at the county appraiser's discretion.

Classification

A bed and breakfast facility which offers more than two bedrooms furnished for guest accommodation shall be classified as commercial, at least in part, if the occupants

do not have extended stays. If occupants stay 28 consecutive days or less, then the bed and breakfast is akin to a hotel or motel, and the property (or portion thereof) that is utilized predominately for such short stays should be classified as commercial. If occupants typically stay more than 28 consecutive days, then the bed and breakfast facility is akin to a multi-family dwelling, and shall be classified as residential.

This approach to classification is consistent with the transient guest laws (K.S.A. 1998 Supp. 12-1692, K.S.A. 12-1696.) It is also consistent with prior Kansas Board of Tax Appeals (BOTA) orders, which referenced sales tax statutes to distinguish between residential and commercial use. (See, e.g., In the Matter of the Equalization Appeal of Tosti, Sam and Lisa A, Docket No. 96-9269-EQ, issued July 15, 1997, utilizing K.S.A. 79-3606 (u).) The sales tax statute formerly adopted by BOTA has since been repealed. However, the local transient guest tax laws continue to exist and are based upon the same premise as the former state sales tax.

Under the transient guest tax laws, a transient guest is a person who occupies a room in a hotel, motel or tourist court for not more than twenty-eight (28) consecutive days. (K.S.A. 12-1692(c) and 12-1696(c).) A "hotel, motel or tourist court" means:

"... any structure or building which contains rooms furnished for the purposes of providing lodging, which may or may not also provide meals, entertainment or various other personal services to transient guests, and which is kept, used, maintained, advertised or held out to the public as a place where sleeping accommodations are sought for pay or compensation by transient or permanent guests and having more than two bedrooms furnished for the accommodation of such guests." (K.S.A. 1998 Supp. 12-1692(b) and 12-1696(b) (Emphasis added).)

Valuation

The real property should be valued based upon its fair market value, regardless of whether it is classified as residential or commercial. When considering the income approach to value, the county appraiser should be cognizant that the income stream may stem from not only the real property, but the personal property and/or going concern. Real property for property tax purposes does not include the going concern. (See K.S.A. 79-102; real property defined for property tax purposes.)

The personal property of a bed and breakfast facility shall generally be classified as commercial and industrial machinery and equipment and valued according to the formula set forth in K.S.A. 79-1439 and Article 11, Section 1 of the Kansas Constitution. Generally, such personal property is used for commercial purpose—to produce income. The Attorney General has opined that the term "equipment" is broad and includes beds, sheets and forks. (A.G. Op. 96-41.)

If the personal property used by the owner to produce income has a retail cost when new of \$250 or less, it may be exempt. (K.S.A. 79-201w.) It is possible a bed and

be exempt. (K.S.A. 79-201w.) It is possible a bed and breakfast may be partly used as a residence. Any personal property that constitutes a household good or personal

effect that is not used for the production of income may be exempt under K.S.A. 79-201c. The county appraiser has discretion over these exemptions. (K.S.A. 79-213(1)(3) and (13).) However, when in doubt, the county appraiser should construe in favor of taxation and assist the owner in applying for exemption. (Directive 92-025.)

Approved: February 24, 2000.

Mark S. Beck Director of Property Valuation

Doc. No. 024891

State of Kansas

Department of Revenue

Notice of Available Publications

Listed below are all the Private Letter Rulings, Opinion Letters, Revenue Rulings, Memorandums, Property Valuation Division Directives, Q&A's, Information Guides and Notices published by the Department of Revenue for February 2000. Copies can be obtained by accessing the Policy Information Library located on the Internet at www.ink.org/public/kdor or by calling the Office of Policy and Research at (785) 296-3081.

Private Letter Rulings

P-1999-272	Sales and/or u	ise tax treatme	ent of dro	p shipments.

P-1999-273 Third party drop shipments.

P-1999-274 Sales and use tax treatment of drop shipments.

P-1999-275 Sales tax treatment of drop shipments.

P-1999-276 Drop shipments.

P-2000-002 Sales of refrigeration equipment and associated energy

P-2000-003 Services provided for the maintenance of sports fields.

P-2000-004 Coin operated car wash.

Opinion Letters

O-2000-001 Use of recreational facilities.

O-2000-002 Capital improvement fees imposed by a country club.

O-2000-003 Sales of water softeners sold and installed in Kansas residences.

Revenue Rulings

No New Publications

Notices

99-14 Sales Tax Exemptions for Religious Organizations

Memorandums

No New Publications

Property Valuation Division Directives

99-034 Classification of Unimproved Land Used for

Commercial or Industrial Purposes

99-037 Merchant's and Manufacturer's Inventory Exemption

99-038 Classification-Real Property Used for Mixed Purposes 99-039 Classification and Valuation of Bed and Breakfast

Facilities

Q&A's

Corp. Income & Individual Income Tax

Nonprofit contributions to approved community service organizations.

Information Guides

No New Publications

Karla Pierce Secretary of Revenue

Kansas Insurance Department

Permanent Administrative Regulations

Article 3.—FIRE AND CASUALTY INSURANCE

40-3-26. Modification of rate filing requirements for individual risks. Rates modified for individual risks pursuant to K.S.A. 40-954(d) and amendments thereto shall be retained in the insurer's underwriting file for five years after the rate is no longer applicable to the insured. These rates shall be made available upon the request of the commissioner. These rate filings shall otherwise comply with the applicable provisions set forth in K.S.A. 40-954 and 40-955 and amendments thereto, and K.A.R. 40-3-25. (Authorized by K.S.A. 40-103; implementing K.S.A. 1998 Supp. 40-954, 40-955, as amended by L. 1999, Ch. 63, § 2; effective, E-76-19, May 1, 1975; effective May 1, 1976; amended May 1, 1979; amended May 1, 1986; amended May 16, 1997; amended March 24, 2000.)

40-3-32. Fire and casualty insurance; modification of form filing requirements. (a) Bond forms. Bonds that cannot practicably be filed before they are used shall not be required to be filed with the commissioner if they are required by any of the following:

(1) Law;

(2) court order; or

(3) any federal, state, or municipal government or

agency.

(b) Marine or inland marine forms. Each marine or inland marine form that cannot practically be filed before use shall not be required to be submitted for approval pursuant to K.S.A. 40-216 and amendments thereto. This exception shall not apply to marine or inland marine policy and endorsement forms that contain standardized wording.

- (c) Aircraft hull or aircraft liability endorsement forms. Each aircraft hull or aircraft liability endorsement form that cannot practicably be filed before use shall not be required to be submitted for approval pursuant to K.S.A. 40-216 and amendments thereto. This subsection shall not apply to aircraft hull or aircraft liability endorsement forms that contain standardized wording or that are so designated by the commissioner. Basic aircraft hull or aircraft liability insurance policies shall be subject to the filing requirement of K.S.A. 40-216 and amendments thereto.
- (d) Restrictive endorsements. Each fire and casualty endorsement or form used on an individual risk that restricts coverage otherwise applicable, shall be considered an increase in the rate otherwise applicable and considered as forms that cannot practicably be filed before they are used. These forms shall be retained in the insurer's underwriting file for a period of five years after the form is no longer applicable to the insured. These forms shall be made available for review upon the request of the commissioner. The disapproval of any form shall be effective as of the inception date of the policy to which it is attached and shall be deleted from the policy.

(e) Policy or endorsement form prescribed by committee on surety bonds and insurance. Each property and casualty policy or endorsement form specifically prescribed by the committee on surety bonds and insurance pursuant to K.S.A. 75-4109, and amendments thereto, shall need not be required to be filed with the commissioner of insurance. The phrase "forms specifically prescribed by the committee on surety bonds and insurance" shall mean each property and liability policy, endorsement, or amendment, the exact wording for which is contained in an invitation for bids authorized by the committee.

(f) Each form submitted pursuant to this regulation shall be deemed approved unless disapproved by the commissioner within 30 days of receipt. (Authorized by K.S.A. 40-103, 40-216, as amended by L. 1999, Ch. 63, § 1; implementing K.S.A. 40-216, as amended by L. 1999, Ch. 63, § 1; effective Jan. 1, 1968; amended Jan. 1, 1973; amended Jan. 1, 1974; amended May 1, 1975; amended May 1, 1979; amended May 1, 1986; amended Nov. 29,

1993; amended March 24, 2000.)

40-3-45. Fire and casualty insurance; rate filings; investment income; requirements. (a) Every rate filing required by K.S.A. 40-955 and amendments thereto shall include specific consideration of earnings or losses resulting from the investment of assets equal to the unearned premiums and loss reserves of the company or

companies making the filing.

(b) These earnings or losses shall consist of the historical after-tax rate of return on net worth derived from investments and shall be calculated by developing an average rate of return as a percent of earned premiums. Any explanatory memorandum submitted with a rate filing shall include an explanation of how the investment earnings or losses are considered in the rate indications. The actual methodology used to derive the investment earnings or losses shall not be required to be included in the filing, but the methodology shall be made available upon the request of the commissioner. (Authorized by K.S.A. 40-103, K.S.A. 1998 Supp. 40-955, as amended by L. 1999, Ch. 63, § 2; implementing K.S.A. 1998 Supp. 40-955, as amended by L. 1999, Ch. 63, § 2; effective Aug. 14, 1989; amended March 24, 2000.)

40-3-49. Fire and casualty insurance; modification of rate filing requirements; rates that cannot be practicably filed before use. (a) Any insurer or rating organization identifying those kinds of insurance, subdivisions, classes of risk, contracts, or combinations of these for which the required rating rule has been filed by the insurer with the commissioner shall retain in the underwriting file the rate or rating procedure used, which shall be made available to the commissioner upon request.

(b) Nothing in this regulation shall be construed as a suspension, preemption, or modification of any provision of K.S.A. 40-955 and amendments thereto, except as specifically permitted in this regulation. (Authorized by K.S.A. 40-103, 40-216, as amended by L. 1999, Ch. 63, § 1, and K.S.A. 1998 Supp. 40-955, as amended by L. 1999, Ch. 63, § 2; implementing K.S.A. 40-216, as amended by L. 1999, Ch. 63, § 1, and K.S.A. 1998 Supp. 40-955, as amended by L. 1999, Ch. 63, § 2; effective Jan. 4, 1993; amended May 16, 1997; amended March 24, 2000.)

Kathleen Sebelius Kansas Insurance Commissioner

Department of Administration

Public Notice

Under requirements of K.S.A. 1999 Supp. 65-34,117 (c), records of the Division of Accounts and Reports show the unobligated balances are \$6,270,063.53 in the underground petroleum storage tank release trust fund and \$2,064,131.53 in the aboveground petroleum storage tank release trust fund at February 29, 2000.

Daniel R. Stanley Secretary of Administration

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Doc. No. 024906

State of Kansas

Social and Rehabilitation Services

Permanent Administrative Regulations

Article 5.—PROVIDER PARTICIPATION, SCOPE OF SERVICES, AND REIMBURSEMENTS FOR THE MEDICAID (MEDICAL ASSISTANCE) PROGRAM

30-5-64. Prior authorization. (a) Any medical service may be placed by the secretary on the published list of services requiring prior authorization or precertification for any of the following reasons:

(1) To assure that provision of the service is medically

(2) to assure that services which may be subject to overuse are monitored for appropriateness in each case;

(3) to assure that services are delivered in a cost-effec-

tive manner.

(b) Administration of covered pharmaceuticals in the following classes shall require prior authorization. A cross-reference of generic and trade names is available upon request:

(1) Acne and skin lesion products: (A) Isotretinoin;
(B) tretinoin; and

- (2) amphetamines, amphetamine mixtures, methamphetamine, and amphetamine-like agents:
 - (A) Amphetamine;
 - (B) dextroamphetamine;
 - (C) methamphetamine; and
 - (D) modafinil;
 - (3) anorexiants:
 - (A) Dextroamphetamine;
 - (B) diethylproprion;
 - (C) mazindol;
 - (D) phendimetrazine; and
 - (E) phentermine;
- (4) anticonvulsants:
- (A) Clorazepate dipotassium;
- (B) Depakene®; and
- (C) Tegretol@;
- (5) antituberculosis products:
- (A) Aminosalicylate sodium;
- (B) capreomycin;

- (C) ethambutol:
- (D) ethionamide;
- (E) isoniazid:
- (F) pyrazinamide; and
- (G) rifampin and rifampin/isoniazid combinations;
- (6) benzodiazepines:
- (A) Alprazolam;
- (B) clorazepate dipotassium; and
- (C) diazepam;
- (7) all decubitus and wound care products:
- (8) all intravenous and oral dietary and nutritional products, including the following:
 - (A) Amino acids, injectable;
 - (B) 1-carnitine;
 - (C) 1-cysteine;
 - (D) lipids, injectable;
 - (E) medium chain triglyceride oil; and
 - (F) sodium phenylbutyrate;
- (9) all growth hormones and growth hormone stimulating factor, including the following:
 - (A) Somatrem;
 - (B) somatropin; and
 - (C) sermorelin;
- (10) all hematinics, iron, multivitamin, and vitamin preparations, including the following:
 - (A) Ferrous fumarate plus vitamins;
 - (B) ferrous gluconate plus vitamins;
 - (C) multivitamins;
 - (D) multivitamins plus folate; and
 - (E) multivitamins plus iron;
- (11) histamine (H₂) antagonists at full therapeutic dose for longer than 60 days:
 - (A) Cimetidine 1200 mg per day;
 - (B) famotidine 40 mg per day;
 - (C) nizatidine 300 mg per day; and
 - (D) ranitidine 300 mg per day;
- (12) proton pump inhibitors at full therapeutic dose for longer than 60 days:
 - (A) Lansoprazole 30 mg per day;
 - (B) omeprazole 40 mg per day; and
 - (C) rabeprazole 40 mg per day;
 - (13) drugs for the treatment of impotence:
 - (A) Alprostadil; and
 - (B) sildenafil;
- (14) monoclonal antibody for respiratory syncitial virus (RSV), including palivizumab; and
 - (15) drugs for the treatment of obesity:
 - (A) Orlistat; and
 - (B) sibutramine.
- (c) Failure to obtain prior authorization, if required, shall negate reimbursement for the service and any other service resulting from the unauthorized or noncertified treatment. The prior authorization shall affect reimbursement to all providers associated with the service.
- (d) The only exceptions to prior authorization shall be
- (1) Emergencies. If certain surgeries and procedures that require prior authorization are performed in an emergency situation, the request for authorization shall be made within two working days after the service is provided; and

(2) situations in which services requiring prior authorization are provided and retroactive eligibility is later established. When an emergency occurs or when retroactive eligibility is established, prior authorization for that service shall be waived, and if medical necessity is documented, payment shall be made.

(e) Services requiring prior authorization shall be considered covered services within the scope of the program unless the request for prior authorization is denied.

(f) This regulation shall take effect on and after April 1, 2000. (Authorized by and implementing K.S.A. 1998 Supp. 39-708c; effective May 1, 1981; amended May 1, 1983; amended May 1, 1986; amended May 1, 1992; amended July 1, 1994; amended March 1, 1995; amended March 1, 1996; amended July 1, 1997; amended July 1, 1997; amended July 1, 1999; amended April 1, 2000.)

Janet Schalansky Secretary of Social and Rehabilitation Services

Doc. No. 024894

(Published in the Kansas Register March 9, 2000.)

Summary Notice of Bond Sale City of Holton, Kansas \$925,000 General Obligation Bonds Series 2000A

(General obligation bonds payable from unlimited ad valorem taxes)

Sealed Bids

Subject to the official notice of bond sale and preliminary official statement dated February 22, 2000, sealed bids will be received by the city clerk of the City of Holton, Kansas (the issuer), on behalf of the governing body of the city at City Hall, 430 Pennsylvania, Holton, KS 66436, until 3 p.m. Monday, March 20, 2000, for the purchase of \$925,000 principal amount of General Obligation Bonds, Series 2000A. No bid of less than the entire par value of the bonds and accrued interest thereon to the date of delivery will be considered.

Bond Details

The bonds will consist of fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. The bonds will initially be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York, to which payments of principal of and interest on the bonds will be made. Individual purchases of bonds will be made in book-entry form only. Purchasers will not receive certificates representing their interest in bonds purchased. The bonds will be dated April 1, 2000, and will become due on December 1 in the years as follows:

	Principal
Year	Amount
2000	\$65,000
2001	40,000
2002	45,000
2003	45,000
2004	50,000

2005		55,000
2006		55,000
2007		60,000
2008	308773	60,000
2009	47.00 (24)	65,000
2010		70,000
2011	1 h 3 h h	75,000
2012		 75,000
2013		 80,000
2014	te se e e e e e e e e e e	 85,000

The bonds will be subject to mandatory and optional redemption prior to maturity as provided in the official notice of bond sale and preliminary official statement.

The bonds will bear interest from the date thereof at rates to be determined when the bonds are sold as hereinafter provided, which interest will be payable semiannually on June 1 and December 1 in each year, beginning December 1, 2000.

Paying Agent and Bond Registrar

The paying agent and bond registrar will be the Kansas State Treasurer, Topeka, Kansas.

Good Faith Deposit

Each bid shall be accompanied by a cashier's or certified check drawn on a bank located in the United States or a qualified financial surety bond in the amount of \$18,500 (2 percent of the principal amount of the bonds).

Delivery

The issuer will pay for printing the bonds and will deliver the same properly prepared, executed and registered to the facilities of the Depository Trust Company, New York, New York, without cost to the successful bidder within 45 days after the date of sale.

Assessed Valuation and Indebtedness

The total assessed valuation of taxable tangible property in the city for the year 1999 is \$15,971,117. The total general obligation indebtedness of the issuer as of the date of the bonds, including the bonds being sold, is \$3,060,000, including, as of the date of the bonds, temporary notes outstanding in the principal amount of \$350,000, of which \$350,000 will be retired out of the proceeds of the bonds herein offered for sale.

Approval of Bonds

The bonds will be sold subject to the legal opinion of Nichols and Wolfe Chartered, Topeka, Kansas, bond counsel, whose approving legal opinion as to the validity of the bonds will be furnished and paid for by the issuer and delivered to the successful bidder when the bonds are delivered.

Additional Information

Additional information regarding the bonds may be obtained from the city clerk, (785) 364-2721, or from the financial advisor, George K. Baum & Company, 120 W. 12th, Twelve Wyandotte Plaza, Kansas City, MO 64105, (800) 821-7195.

Dated February 22, 2000.

City of Holton, Kansas Pat McClintock, City Clerk City Hall 430 Pennsylvania Holton, KS 66436

Kansas State Treasurer

Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted at 10 a.m. Tuesday, May 9, in Room 106, Landon State Office Building, 900 S.W. Jackson, Topeka, to consider the adoption of proposed rules and regulations of the State Treasurer on a

permanent basis.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to Tim Shallenburger, State Treasurer, Room 201-N, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612-1235. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulations during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting Faith Loretto at (785) 296-6000 or 296-4798 (TTY). Handicapped parking is located at the south end of Landon State Office Building, and the north entrance to the building is accessible.

Summaries of the proposed regulations and their eco-

nomic impact follow.

The 1999 Legislature enacted the Kansas Postsecondary Education Savings Program (K.S.A. 1999 Supp. 75-640 et seq. or "the Act"). This program provides the State of Kansas with a framework for establishing postsecondary education savings accounts and enables residents of this and other states to benefit from the tax incentive provided for qualified state tuition programs as defined in Section 529 of the federal Internal Revenue Code of 1986, as amended (I.R.C. Section 529). Any person may make contributions to a postsecondary education savings account exclusively for the purpose of meeting qualified higher education expenses of the beneficiary designated by the account owner. In accordance with I.R.C. Section 529, if funds withdrawn by the account owner are used for qualified higher education expenses, the distribution, including earnings, is considered taxable income for the designated beneficiary, not the account owner. Under Kansas income tax law (K.S.A. 1999 Supp. 79-32,117(c)(xv)), account owners may deduct from their Kansas adjusted gross income the amount of their contributions made to a postsecondary education savings account up to \$2,000 per designated beneficiary.

K.A.R. 3-2-1 (No guarantee of principal or earnings; required statement) provides that all account documents (such as application forms and deposit slips) must contain the following statement in a readily visible typeface and location: "NOTICE: Accounts established under the

Kansas Postsecondary Education Savings Program and their earnings are neither insured nor guaranteed by the State of Kansas." K.A.R. 3-2-1 also requires that this statement be included on all promotional materials.

K.A.R. 3-2-2 (Excess earnings) contains provisions to prevent excess contributions for a designated beneficiary and for handling any inadvertent excess contributions. K.A.R. 3-2-2 requires the program manager to establish adequate safeguards to prevent excess contributions on behalf of a designated beneficiary. Those safeguards must be consistent with the following minimum standards: (1) identification of all accounts with the same designated beneficiary; (2) calculation of the current, cumulative contributions for all of the accounts for a designated beneficiary; (3) a determination for each contribution as to whether or not it would result in contributions on behalf of a designated beneficiary in excess of the maximum contribution amount; and (4) if a contribution would result in excess contributions for the designated beneficiary, deposit of only that portion of the contribution, if any, that will not result in excess contributions.

If an excess contribution is inadvertently made on behalf of a designated beneficiary, K.A.R. 3-2-2 requires the program manager to notify the account owner of each account creating the excess contributions. The notice must indicate that the cumulative contributions on behalf of that beneficiary must be reduced below the maximum contribution amount through a nonqualified withdrawal or a rollover distribution from one or more of the accounts for the designated beneficiary. Within 30 days of the date this notice is mailed to each affected account owner, the account owner or owners must submit a request for a nonqualified withdrawal or a rollover distribution in an amount sufficient to eliminate the excess contributions for that designated beneficiary. In the absence of such a request, the program manager must then process a nonqualified withdrawal from each account creating the excess contributions in an amount equal to the total excess contributions, adjusted for gain or loss. The program manager must return the nonqualified withdrawal to each affected account owner, minus the penalty provided in K.S.A. 75-646(g).

K.A.R. 3-2-3 (Withdrawals) provides that, except as otherwise provided by the postsecondary education savings agreement signed by each account owner, the program manager must process each withdrawal upon receipt of a completed withdrawal request and any required documentation. Subsection (b) of K.A.R. 3-2-3 requires that each request must be submitted in the form prescribed by the State Treasurer. All requests must identify the account from which the withdrawal is to be made, the amount of the withdrawal, and the type of withdrawal the account owner intends to make. A withdrawal may be a qualified withdrawal for qualified higher education expenses; a withdrawal made as the result of the death or disability of the designated beneficiary; a withdrawal made because of a scholarship, grant or similar payment received by the beneficiary; a nonqualified withdrawal, which is subject to the penalty provided in K.S.A. 75-646(g); or a rollover distribution. The request also must contain appropriate documentation regarding the basis for the withdrawal, as required by the postsecondary education savings agreement, or it will be treated as a nonqualified withdrawal.

Subsection (q) of K.S.A. 1999 Supp. 75-646 establishes four limitations on contributions to and withdrawals from a postsecondary education savings account. The account must be opened before the designated beneficiary attains 25 years of age and at least two calendar years before a qualified withdrawal can be made. Qualified withdrawals must be completed by the time the designated beneficiary attains 30 years of age or within 10 years after the initial qualified withdrawal is made, whichever occurs first. However, subsection (q) also authorizes the State Treasurer to provide by regulation for exceptions to these limitations. K.A.R. 3-2-3(a) provides for waiver of these limitations by the State Treasurer upon a finding that failure to grant the requested waiver would create a manifest injustice or undue hardship for the account owner, designated beneficiary, or both, and that the waiver would not violate any of the provisions of I.R.C. Section 529. It also provides for delegation of the decision to grant a requested waiver to the program manager, subject to certain conditions set out in paragraph (a)(3).

In general, the three proposed new regulations are not expected to have any measurable additional economic impact on the State Treasurer, account owners or beneficiaries, the program manager, other state agencies, or the general public.

Copies of the proposed regulations and the associated economic impact statements may be obtained by contacting Blanche Parks, Office of the State Treasurer, (785) 296-3171.

Tim Shallenburger Kansas State Treasurer

Doc. No. 024911

State of Kansas

Kansas Lottery

Temporary Administrative Regulations

Article 2.—LOTTERY RETAILERS

111-2-72. (Authorized by K.S.A. 1997 Supp. 74-8710; implementing K.S.A. 1997 Supp. 74-8710 and K.S.A. 74-8708; effective, T-111-3-13-98, Feb. 20, 98; revoked, T-111-2-25-00, Feb. 18, 2000.)

111-2-95. New retailer survey incentive. All retailers who first sold Kansas lottery tickets or applied to become a lottery retailer on and after May 1, 1999, through and including December 31, 1999, who are in compliance with all terms of their retailer contract with the Kansas lottery, and who complete a Kansas lottery informational form and send it to the lottery on or before February 29, 2000 shall be entitled to one pack of instant tickets selected by the lottery. Informational forms shall be considered sent if completed and postmarked not later than February 29, 2000, or actually received at Kansas lottery headquarters offices not later than February 29, 2000, by the close of the business day as defined by subsection (p) of K.A.R. 111-6-1. (Authorized by K.S.A. 1999 Supp. 74-

8710; implementing K.S.A. 74-8708 and K.S.A. 1999 Supp. 74-8710; effective, T-111-10-4-99, Sept. 30, 1999; amended, T-111-12-27-99, Dec. 17, 1999; amended, T-111-1-27-00, Jan. 21, 2000; amended, T-111-2-25-00, Feb. 18, 2000.)

111-2-110. Independent retailers' "ask for the sale" promotion. (a) During the period beginning March 1, 2000, and ending March 31, 2000, in addition to compensation provided for in K.A.R. 111-2-4, the Kansas lottery also offers the following independent stores an opportunity to participate in a bonus retailer "ask for the sale" incentive promotion of instant lottery tickets:

Retailer No.	Retailer Name	Location
10650	EZ Stop	Kinsley
11743	Engels Conoco Food Store South	Liberal
11744	Engels Conoco Food Store North	Liberal
10651	EZ Stop	Plains
12929	Charlie's Convenience	Dodge City
13711	River Stop	Dodge City
14506	Ampride	Cimarron

(b) On each Friday in March 2000, including March 3, 10, 17, 24, and 31, the above-mentioned independent stores' personnel selling Kansas lottery tickets will ask every adult customer making a purchase if the customer would like to purchase a lottery ticket. If the employee fails to ask adult customers for the purchase of a lottery ticket and the customer brings it to the clerk's attention before leaving the premises, the retailer shall give the adult customer one \$1.00 instant lottery ticket at no charge.

(c) All retailer employees at each location shall wear promotional buttons and display special point-of-sale materials provided by the lottery each Friday from 6:00 a.m. to 6:00 p.m. during the promotion announcing the promotion to its customers. These promotional materials

consist of:

(1) A tent card to be displayed at the point where tickets are sold.

(2) A window/monitor banner to be displayed at the front entrance of the business and/or below the lottery information display system monitor.

(3) Promotion specific buttons.

These materials must be on display during all hours of the promotion at the times and dates established in subsections (b) and (c) for a store to be eligible for a prize.

(d) The Kansas lottery will provide each location with a credit of \$25 to its account at the end of the promotion after each location has complied with all requirements of the promotion.

(e) Any tickets given away above the \$25 allowance representing 25 tickets per location will be the responsi-

bility of each independent store.

(f) Each retail location shall maintain a ticket log form to be completed every time a lottery ticket is given away. The log will be picked up by the Kansas lottery district manager servicing the retailer location at the end of the promotion.

(g) At the end of the promotion, all independent stores with a 10 percent or more increase in total instant ticket sales for the period from March 1, 2000, to March 31, 2000, over the base sales period of March 1, 1999, to March 31,

continued

1999, will win credit for 50 \$1.00 instant lottery tickets. (Authorized by K.S.A. 1999 Supp. 74-8710, implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8708; effective, T-111-2-25-00, Feb. 18, 2000.)

Article 4.—INSTANT GAME RULES

RULES FOR INSTANT GAME NO. 14 "MONOPOLY"

111-4-1650. Name of game. The Kansas lottery shall conduct an instant winner lottery game entitled "Monopoly" commencing on or after February 28, 2000. The specific rules for the "Monopoly" game are contained in K.A.R. 111-3-1 et seq. and 111-4-1650 through 111-4-1654. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1651. Definitions. The following definitions shall apply to the "Monopoly" instant lottery game:

- (a) "Game symbols" are the numbers, letters, symbols, or pictures printed in each of the four play areas of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the game symbols are printed in black ink with matching captions. A game symbol appears in the 25 play spots within the four play areas. Each game symbol for this instant game is one of the following: 01 - 02 - 03 - 04 - 05 - 06 - 07 - 08 - 09 - 10 - 11 - 12 - 13 - 14 - 15 - 16 - 17 - 18 - 19 - 20 - 21 -22 - 23 - 24 - 25 - symbol of "GO" - symbol of a moneybag - symbol of an iron - symbol of a thimble - symbol of a top hat - symbol of a shoe - symbol of a wheelbarrow symbol of a Scottie dog - symbol of a cannon - symbol of a battleship - symbol of a train - GOOD LUCK - MAYBE NEXT TIME - \$1.00 - \$2.00 - \$3.00 - \$5.00 - 10.00 - 20.00 - 25.00 -50.⁹⁰ - \$100\$ - \$200\$ - \$1000 - \$30000.
- (b) "Game symbol captions" are the words or portions of words, letters or numbers printed beneath each game symbol in the play area and are used to repeat or explain the game symbol. The game symbol caption associated with each game symbol is as follows:

Game Symbol	Game Symbol Caption
\$1.00	ONE\$
\$2.00	TWO\$
\$3.00.	THR\$
\$5.00	FIVE\$
10.00	TEN\$
20.00	TWENTY
25.00	TWEN-FIV
50. ∞	FIFTY
\$100\$	ONE-HUN
\$200\$	TWOHUN
\$1000	ONETHOU
\$30000	30-THOU
01	ONE
02	TWO
03	THR
04	FOR
05	FIV
06	SIX
0 7	SEV
08	EGT

09	NIN
10	TEN
$\mathbf{r} = \mathbf{r} \cdot \mathbf{r} \cdot \mathbf{r} + \mathbf{r} \cdot \mathbf{r} \cdot \mathbf{r} \cdot \mathbf{r}$	ELVN
12	TWLV
13	THRTN
14	FOURTN
15 15 / J	FIFTN
16	SIXTN
17	SEVTN
18	EIGHTN
19	NINTN
20	TWENTY
21	TWTYONE
22	TWTYTWO
23	TWTYTHR
24	TWTYFR
25	TWTYFIV
Symbol of "GO"	N/A
Symbol of a moneybag	N/A
Symbol of an iron	IRON
Symbol of a thimble	THIMBLE
Symbol of a top hat	TOPHAT
Symbol of a shoe	SHOE
Symbol of a wheelbarrow	WBARROW
Symbol of a Scottie dog	DOG
Symbol of a cannon	CANNON
Symbol of a battleship	SHIP
Symbol of a train	TRAIN
GOOD LUCK	
MAYBE NEXT TIME	

- (c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is an 11-digit number which appears below the game symbols under the latex covering in the play area on the front of each instant ticket.
- (d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 099. The book-ticket number is printed in black ink on the back of each instant game ticket both below the information form and below the bar code.
- (e) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a three-letter code printed and appearing in three of eight varying locations among the game symbols in each of the four play areas. The codes and their meanings are as follows: THR = \$3.00; FOR = \$4.00; FIV = \$5.00; SIX = \$6.00; TEN = \$10.00; TWY = \$20.00; TWF = \$25.00; FTY = \$50.00; HUN = \$100.00; OTN = \$110.00; THN = \$200.00; FRH = \$400.00; FHN = \$500.00.
- (f) "Bar code" means the 16-digit bar-coded number appearing on the back of each ticket. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

11.1-4-1652. Cost of ticket. The price of "Monopoly" instant tickets sold by a retailer shall be \$3.00 each. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1653. Determination of instant prize winners. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the four separate play areas to reveal the 25 game symbols and captions in the play areas.

Game 1 is a key number match. The player removes the scratch-off material covering the play area to reveal two "YOUR HOTEL NUMBERS" and 10 "HOUSE NUMBERS" with a prize amount below each of the "HOUSE NUMBERS." If any of the "HOUSE NUMBERS" match either or both of the "YOUR HOTEL NUMBERS," a player wins the prize directly below the "HOUSE NUMBER" that matches. If a player finds a "GO" symbol, the player wins \$200 automatically. If a player finds a "moneybag" symbol, the player wins double the prize amount which appears directly below the "moneybag" symbol. A player can win up to 10 times in the play area.

Game 2 is the "Community Chest" instant win game. If a player reveals any prize amount, the player wins that amount instantly. A player can win one time in this play

Game 3 is the "Chance" instant win game. If the player reveals any prize amount, the player wins that amount instantly. A player can win one time in this play area.

Game 4 is a "Bonus" instant win game. If the player reveals a "Train" symbol, the player wins \$25 instantly. A player can win one time in this play area. A player can win up to 13 times on a single ticket. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1654. Number and value of instant prizes. (a) There will be approximately 900,000 tickets ordered initially for this instant game. The expected number and value of the instant prizes are as follows:

Game 1	Game 2	Game 3	Game 4	Prize	Expected Number of Prizes in Game	Expected Value in Game
\$3		1. 1. 1. 1. 1. 1.	1	\$3	48,000	\$144,000
	\$3			\$3	48,000	144,000
		\$3		\$3	48,000	144,000
\$2 Doubled	•			\$4	9,000	36,000
\$1x4				\$4	9,000	36,000
\$5	- 1			\$5	4,500	22,500
- S.	\$5			\$5	4,500	22,500
		\$5		\$5	4,500	22,500
\$3	\$2	100		\$5	2,250	11,250
\$ 3		\$2		\$5	2,250	11,250
\$3 Doubled				\$6	3,600	21,600
\$2	\$2	\$2		\$6	3,600	21,600
\$1x8	\$1	\$1		\$10	2,100	21,000
\$5		\$5		\$10	2,100	21,000
\$5 Doubled				\$10	2,400	24,000
\$2 x 5	.*	200		\$10	2,100	21,000
\$2 x 8	\$2	\$2		\$20	1,800	36,000
\$5 x 3	\$5	\$5		\$25	1,800	45,000
4 ,			\$25	\$25	2,100	52,500
\$1 x 10	\$5	\$10	\$25	\$50	1,050	52,500
\$1 x 10	\$10	\$5	\$25	\$50	1,050	52,500
\$25			\$25	\$50	750	37,500
\$5 x 5		1. 1. 1. 1. 1.	\$25	\$50	750	37,500
\$5 x 8	\$5	\$5		\$50	750	37,500
\$10 x 8	\$10	\$10		\$100	330	33,000
\$50 Doubled	•			\$100	330	33,000
	\$100			\$100	330	33,000
		\$100	, .	\$100	330	33,000
\$5 x 10	\$25	\$10	\$25	\$110	330	36,300
\$10 x 8	\$100	\$20		\$200	225	45,000
\$200 GO				\$200	300	60,000
\$200 GO	\$100	\$100	internal	\$400	105	42,000
\$100 x 4	\$100	****		\$500	105	52,500
\$100 x 8	\$100	\$100		\$1,000	18	18,000
\$1,000				\$1,000	18	18,000

\$30,000	\$30,000	\$30,000	 \$30,000 \$30,000 \$30,000	2 2 3	60,6 60,7 60,1	000
TOTAL		\$30,000	\$50,000	208.377	\$1,659	

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold. The odds of winning a prize in this game are one in 4.32.

(c) All prizes are subject to deductions provided by law.

(d) Additional ticket orders shall have the same prize structure, the same number of prizes per prize pool of 300,000 tickets and the same odds as were contained in the initial ticket order. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

RULES FOR INSTANT GAME NO. 12 "DOUBLE DOWN"

111-4-1655. Name of game. The Kansas lottery shall conduct an instant winner lottery game entitled "Double Down" commencing on or after February 28, 2000. The specific rules for the "Double Down" game are contained in K.A.R. 111-3-1 et seq. and 111-4-1655 through 111-4-1658. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1656. Definitions. The following definitions shall apply to the "Double Down" instant lottery game:

(a) "Play symbols" are the numbers, letters, symbols, or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the play symbols are printed in black ink with matching captions. A play symbol appears in each of seven play spots within the play area. Each play symbol for this instant game is one of the following: \$1.\omega - \$2.\omega - \$5.\omega - 20.\omega - 40.\omega - \$2500 - \$5000 - \$1

(b) "Play symbol captions" are the words or portions of words, letters or numbers printed beneath each play symbol in the play area and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is as follows:

Play Symbol	Play Symbol Caption
\$1.00	ONE\$
\$2.00	TWO\$
\$5.00	FIVE\$
20.00	TWENTY
40.00	FORTY
\$2500 .	TWYFHUN
\$5000	FIVE THOU
SINGLE PRIZE	
DOUBLE PRIZE	
DOUBLE DOUBLER	

(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is an 11-digit number which appears on the front of each instant ticket and will be covered by latex.

(continued)

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 299. The book-ticket number is printed in black ink on the back of each instant game ticket both above the information form and below the bar code.

(e) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a threeletter code printed and appearing in three of eight varying locations among the play symbols. The codes and their meanings are as follows: ONE = \$1.00; TWO = \$2.00; FOR = \$4.00; FIV = \$5.00; TEN = \$10.00; TWY =

\$20.00; FRY = \$40.00; ETY = \$80.00.

"Bar code" means the 16-digit bar-coded number appearing on the back of each ticket. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1657. Determination of instant prize winners. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the play area to reveal the six prize amounts and a "YOUR PRIZE LEVEL." The "YOUR PRIZE LEVEL" will be either the words "SINGLE PRIZE," the words "DOUBLE PRIZE" or the words "DOUBLE DOUBLER." This is a match three of six game with a "DOUBLE PRIZE" and a "DOU-BLE DOUBLER" feature. If three of the six concealed prize amounts match and the words "SINGLE PRIZE" are revealed, the player will win the prize amount shown. If three of the six concealed prize amounts match and the words "DOUBLE PRIZE" are revealed, the player will win double the prize amount shown. If three of the six concealed prize amounts match and the words "DOUBLE DOUBLER" are revealed, the player will win four times the prize amount shown. A player can win only one time on this ticket. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1658. Number and value of instant prizes. (a) There will be approximately 1,500,000 tickets ordered initially for this instant game. The expected number and value of the instant prizes are as follows:

Match	Prizes	Expected Number of Prizes in Game	Expected Value in Game
3-\$1+(single prize)	\$1	115,000	\$115,000
3-\$2+(single prize)	\$2	20,000	40.000
3-\$1+(double prize)	\$2	40,000	80,000
3-\$1+(double doubler)	\$4	15,000	60,000
3-\$5+(single prize)	\$5	21,250	106,250
3-\$5+(double prize)	\$10	15,000	150,000
3-\$5+(double doubler)	\$20	10,000	200,000
3-\$20+(double prize)	\$40	<i>7</i> 50	30,000
3-\$40+(single prize)	\$40	500	20,000
3-\$20+(double doubler)	\$80	<i>7</i> 5	6,000
3-\$2,500+(single prize)	\$2,500	2	5,000
3-\$5,000+(double prize)	\$10,000	$\overline{2}$	20,000

3-\$2,500+(double doubler) 30,000 237,582 \$862,250

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold. The odds of winning a prize in this game are one in 6.31.

(c) All prizes are subject to deductions provided by law.

(d) Additional ticket orders shall have the same prize structure, the same number of prizes per prize pool of 300,000 tickets and the same odds as were contained in the initial ticket order. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-000, Feb. 18, 2000.)

RULES FOR INSTANT GAME NO. 13 "SUPER BASEBALL TRIPLER"

111-4-1659. Name of game. The Kansas lottery shall conduct an instant winner lottery game entitled "Super Baseball Tripler" commencing on or after February 28, 2000. The specific rules for the "Super Baseball Tripler" game are contained in K.A.R. 111-3-1 et seg. and 111-4-1659 through 111-4-1662. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1660. Definitions. The following definitions shall apply to the "Super Baseball Tripler" instant lottery

- (a) "Play symbols" are the numbers, letters, symbols, or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the play symbols are printed in black ink with matching captions. A play symbol appears in each of six play spots within the play area. Each play symbol for this instant game is one of the following: FREE - \$1.00 - \$2.00 - \$5.00 - 10.00 - 20.00 - 30.00 - \$1000 TRIPLE PLAY.
- (b) "Play symbol captions" are the words or portions of words, letters or numbers printed beneath each play symbol in the play area and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is as follows:

Play Symbol	Play Symbol Caption
FREE	TICKET
\$1.00	ONE\$
\$2.00	TWO\$
\$5.00	FIVE\$
10.00	TEN\$
20.00	TWENTY
30.00	THIRTY
\$1000	ONETHOU /
TRIPLE PLAY	3XPRIZE

(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is an 11-digit number which appears on the front of each instant ticket and will be covered by latex.

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 299. The book-ticket number is printed in black ink on the back of each instant game ticket both above the information form and below the bar code.

(e) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a threeletter code printed and appearing in three of eight varying locations among the play symbols. The codes and their meanings are as follows: FRE = Free Ticket; ONE = \$1.00; THR = \$3.00; FIV = \$5.00; SIX = \$6.00; TEN = 10.00; FTN = 15.00; TWY = 20.00; TRY = 30.00; SXY

(f) "Bar code" means the 16-digit bar-coded number appearing on the back of each ticket. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1661. Determination of instant prize winners. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the play area to reveal the six prize amounts or five prize amounts and a tripler symbol. This is a match three of six dollar amounts or a match two dollar amounts plus a tripler symbol to win. If three of the six concealed prize amounts match, the player wins the amount shown. If two of the six concealed prize amounts match and a tripler symbol is found, the player wins triple the prize amount. No ticket will be eligible to win more than one prize. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1662. Number and value of instant prizes. (a) There will be approximately 1,500,000 tickets ordered initially for this instant game. The expected number and value of the instant prizes are as follows:

Match	Prizes	Expected Number of Prizes in Game	Expected Value in Game
3 FREE'S	FREE TICKET	160,000	\$ 0
3 \$1,00's	\$1	25,000	25,000
2 \$1.00's & (TRIPLE PRIZE)	\$3	55,000	165,000
3 \$5.00's	\$5	20,000	100,000
2 \$2.00's & (TRIPLE PRIZE)	\$6	15,000	90,000
3 \$10.00's	\$10	10,000	100,000
2 \$5.00's & (TRIPLE PRIZE)	\$15	5,000	75,000
3 \$20.00's	\$20	5,000	100,000
3 \$30.00's	\$30	500	15,000
2 \$10.00's & (TRIPLE PRIZE)	\$30	2,000	60,000
2 \$20.00's & (TRIPLE PRIZE)	\$60	250	15,000
3 \$1,000	\$1,000	10	, 10,000
2 \$1,000.00's & (TRIPLE PRIZE)	\$3,000	5	15,000
1.6		297,765	\$770,000

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold. The odds of winning a prize in this game are one in

(c) All prizes are subject to deductions provided by law.

(d) Additional ticket orders shall have the same prize structure, the same number of prizes per prize pool of 300,000 tickets and the same odds as were contained in the initial ticket order. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-25-00, Feb. 18, 2000.)

RULES FOR INSTANT GAME NO. 15 "CLUB CASINO"

111-4-1663. Name of game. The Kansas lottery shall conduct an instant winner lottery game entitled "Club Casino" commencing on or after February 28, 2000. The specific rules for the "Club Casino" game are contained in K.A.R. 111-3-1 et seq. and 111-4-1663 through 111-4-1667. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1664. Definitions. The following definitions shall apply to the "Club Casino" instant lottery game:

(a) "Play symbols" are the numbers, letters, symbols, or pictures printed in each of the four play areas of each instant game ticket and which determine if the ticket bearer is entitled to a prize. In this instant game, the play symbols are printed in black ink with matching captions. A play symbol appears in each of the 33 play spots in the four play areas. Each play symbol for this instant game is one of the following: FREE - \$2.00 - \$3.00 - \$4.00 - \$5.00 - $10.^{\circ\circ} - 15.^{\circ\circ} - 20.^{\circ\circ} - 25.^{\circ\circ} - 30.^{\circ\circ} - 40.^{\circ\circ} - 50.^{\circ\circ} - 100 - 10000 - \$40000 - 01 - 02 - 03 - 04 - 05 - 06 - 07 - 08 - 09 - 10 - 11 - 12 - 13 - 14 - 15 - 16 - 17 - 18 - 19 - 20 - 21 - 22 - 23 - 24 -25 - 26 - 27 - 28 - 29 - 30 - 31 - 32 - 33 - 34 - 35 - 36 - 37 -38 - 39 - 40 - One - Two - Three - Four - Five - Six - 2 - 3 -4-5-6-7-8-9-10-J-Q-K-A.

(b) "Play symbol captions" are the words or portions of words, letters or numbers printed beneath each game symbol in the play area and are used to repeat or explain the play symbol. The play symbol caption associated with each play symbol is as follows: LIBERTATE DIMIN

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27 28 29 30 31 32 33 34 35 36 37 38 39 40 One Two Three Four Five Six 2 3 4 5 6 7 8 9 10 J	26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 ONE TWO THREE FOUR FIVE SIX TWO THR FOR FIV SIX SEV EGT NIN TEN
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27 28 29 30 31 32 33 34 35 36 37 38 39 40 One Two Three Four Five Six 2 3 4 5 6 7 8 9 10 J Q	26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 ONE TWO THREE FOUR FIVE SIX TWO THR FOR FIV SIX SEV EGT NIN TEN JAK QEN

(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is an 11-digit number which appears below the game symbols under the latex covering in the play area on the front of each instant ticket.

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 059. The book-ticket number is printed in black ink on the back of each instant game ticket both below the information form and below the bar code.

(e) "Retailer validation code" means the small letters found under removable covering in the GAME 3 ROU-LETTE play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a three-letter code printed and appearing in three of eight varying locations among the play symbols in each of the four play areas. The codes and their meanings are as follows: FRE = Free Ticket; FIV = \$5.00; TEN = \$10.00; FTN = \$15.00; SXN = \$16.00; TWY = \$20.00; TRY = \$30.00; FRY = \$40.00; FTY = \$50.00; HUN = \$100.00; THY = \$250.00.

(f) "Bar code" means the 16-digit bar-coded number appearing on the back of each ticket. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1665. Cost of ticket. The price of "Club Casino" instant tickets sold by a retailer shall be \$5.00 each. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1666. Determination of instant prize winners. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the four separate play areas entitled "GAME 1," "GAME 2," "GAME 3" and "GAME 4" to reveal the 33 game symbols and captions in each play area.

Game 1 is LUCKY CHIP. A player will remove the scratch-off material to reveal one "HOUSE CHIP" and five "YOUR CHIPS" with a prize amount below each of the "YOUR CHIPS." If any of the "YOUR CHIPS" match the "HOUSE CHIP," a player wins the prize shown below that matched chip. A player can win up to five times in this game play area.

Game 2 is ROLL 7 or 11. The player will remove the scratch-off to reveal "ROLL 1," "ROLL 2," and "ROLL 3." If the player's "ROLL" totals exactly 7 or 11, the player wins the prize for that "ROLL." A player can win up to three times in this game.

Game 3 is ROULETTE. The player moves the scratch-off material to reveal one "YOUR NUMBER" and three "NUMBER" spots. If the player matches "YOUR NUMBER" to any "NUMBER" in the same play area, the player wins the corresponding prize for the number that matches. A player can win three times in this game.

Game 4 is HIGH CARD. The player removes the scratch-off material to reveal four "YOUR CARDS" and one "DEALER'S CARD." If any of the "YOUR CARDS" beat the "DEALER'S CARD," a player wins the prize shown. A player can win up to four times in this game. A player can win up to 15 times on a single ticket. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing

K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1667. Number and value of instant prizes.
(a) There will be approximately 600,000 tickets ordered initially for this instant game. The expected number and value of the instant prizes are as follows:

ş :			Game 1	Game 2	Gam	ie 3	Game 4	Prize		Expected Number of Prizes	Expected Value
	ia solimin				in a line					in Game	in Game
<i>-</i> '.	FREE	grandi.	.7	e da en el se		3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		FREE TI		40,000	\$ 0
1	\$ 5	1-12-6	and the second			:		\$5		27,000	135,000
	\$5(\$2 + \$3)	· .		- ',	100			\$5		27,000	135,000
	\$10	100	1.7					\$10		9,000	90,000
, 11	\$10 (\$5 x 2)		, *	· ·				\$1		8,600	86,000
	\$10 (\$2 x 5)	La Control	The second	1	100			\$1		8,600	86,000
	\$15		*		*	٠, ,		\$1		3,000	45,000
	\$15 (\$5 x 3)							\$1		3,000	45,000
٦, .	\$15 (\$3 x 5)				se 1 4			\$1		3,000	45,000
ì	\$16 (\$2 x 8)	10. 10		1	And the second			\$1		2,600	41,600
	\$16 (\$4 x 4)				* **			\$1		2,600	41,600
wi.	\$20		2.00	1		•		\$2		2,600	52,000
- τ , ὶ	\$20 (\$5 x 4)				and the state of			\$2		2,000	40,000
	\$20 (\$2 x 10)	* 1	4.00	4.0				\$2		2,000	40,000
	\$30	13.						\$3		1,300	39,000
	\$30 (\$15 x 2)	3.5		***	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1.0		\$3		1,300	39,000
	\$30 (\$2 x 15)						16.37	\$3		1,300	39,000
	\$30 (\$5 x 6)			No.	and the second			\$3		1,300	39,000
	\$40						•	\$4		900	36,000
1	\$40 (\$5 x 8)		The state of the second	ad the square			1	\$4		900	36,000
	\$40 (\$5 x 6) + \$1	0 10 10		医急性症 医药				\$4		900	36,000
, .	\$50	100 C 4	and the second	The second of the second	Sagar .			\$5		950	47,500
٠.٠	\$50 (\$25 x 2)	ing mode			Mark Carlot			\$5		900	45,000
	\$50 (\$5 x 10)		All Markey					\$5		900	45,000
	\$100	1.7 (1)	n will all to		8			\$10		500	50,000
	\$100 (\$10 x 10)					1,2		\$10		500	50,000
\$250) ((\$10 x 13) + \$100		그리 아랫동안					\$2!		300	75,000
	\$1000(\$100 x 10) :	3、1961. 3种 的	an Silita anti-	ay . Million			\$10		30	30,000
i. '	\$10,000		1	Jan of 1 year	1		1	\$10,		4	40,000
	\$40,000		1		1		1	\$40,	000	<u>5</u>	200,000
	TOTAL	Salar Salar	115	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	N AT					152,989	\$1,728,700
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	a community さいだい ちゃ		fra en la companya di altri d	interpretation of the figure		100 April 200 Ap	4.5		4 74.		

- (b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold. The odds of winning a prize in this game are one in 3.92
 - (c) All prizes are subject to deductions provided by law.
- (d) Additional ticket orders shall have the same prize structure, the same number of prizes per prize pool of 300,000 tickets and the same odds as were contained in the initial ticket order. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)
- **111-4-1668.** Name of game. The Kansas lottery shall conduct an instant winner lottery game entitled "Super Double Blackjack" commencing on or after February 28, 2000. The specific rules for the "Super Double Blackjack" game are contained in K.A.R. 111-3-1 et seq. and 111-4-1668 through 111-4-1672. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)
- **111-4-1669. Definitions.** The following definitions shall apply to the "Super Double Blackjack" instant lottery game:
- (a) "Play symbols" are the numbers, letters, symbols, or pictures printed in the play area of each instant game ticket and which determine if the ticket bearer is entitled

to a prize. In this instant game, the play symbols are printed in black ink with matching captions. A play symbol appears in each of eight play spots within the play area. Each play symbol for this instant game is one of the following: $2-3-4-5-6-7-8-9-10-J-Q-K-A-BUST-$1.^{\infty}-$2.^{\infty}-$4.^{\infty}-$5.^{\infty}-$7.^{\infty}-$1.00-$1.00-$110$ - 210 - 210 - $21000.$

(b) "Play symbol captions" are the words or portions of words, letters or numbers printed beneath each game symbol in the play area and are used to repeat or explain the game symbol. The play symbol caption associated with each play symbol is as follows:

Play Symbol	Play Symbol Caption	
2	TWO	
3	THR	
4	FOR	
5	FIV	
6	SIX	
7	SEV	
8	EGT	
9	NIN	
10	TEN	
l l	JAK	
Q	QEN	
\tilde{K}	ŔNG	
Α	ACE	
BUST	BUST	3 (S. 14)
		(continued)

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(c) "Ticket validation number" means a unique number appearing on each ticket which is used to validate winning tickets. For this instant game, the ticket validation number is an 11-digit number which appears on the front of each instant ticket and will be covered by latex.

(d) "Book-ticket number" means the unique number appearing on each ticket which includes the number of the book from which it was removed and the serially assigned number of the ticket within that book. For this instant game, the book-ticket number is an 8-digit book number followed by a dash and then a 3-digit ticket number. The ticket numbers in each book start with 000 and end with 149. The book-ticket number is printed in black ink on the back of each instant game ticket both above the information form and below the bar code.

(e) "Retailer validation code" means the small letters found under removable covering in the play area of each instant game ticket. The retailer uses this code to verify and validate winners which are to be paid by the retailer. In this instant game, the retailer validation code is a three-letter code printed and appearing in three of eight varying locations among the game symbols. The codes and their meanings are as follows: TWO = \$2.00; FOR = \$4.00; FIV = \$5.00; SEV = \$7.00; ELV = \$11.00; TWN = \$21.00; STY = \$70.00; OTN = \$110.00; THT = \$210.00.

(f) "Bar code" means the 16-digit bar-coded number appearing on the back of each ticket. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1670. Cost of ticket. The price of "Super Double Blackjack" instant tickets sold by a retailer shall be \$2.00 each. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

winners. This is a "Beat the Dealer" game. An instant prize winner is determined for this instant game when the player removes or "scratches off" the removable layer of material covering the table play area to reveal five hands, "HAND 1," "HAND 2," "HAND 3," "HAND 4," and "HAND 5," five prize amounts, and one "DEALER'S HAND." If the total value of a "HAND" is higher than the value of the "DEALER'S HAND," the player wins the prize directly below that "HAND." If the player gets "BLACKJACK" (21) in any "HAND," the player wins double the prize for that "HAND." If the "DEALER'S HAND" shows "BUST," the player wins all five prizes. For this game, the cards "J," "Q," and "K" will have a

point value of 10 and the card "A" will have a point value of 11. Each ticket can win up to 10 times. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-4-1672. Number and value of instant prizes.
(a) There will be approximately 900,000 tickets ordered initially for this instant game. The expected number and value of the instant prizes are as follows:

Match	Prizes	Expected Number of Prizes in Game	Expected Value in Game
\$2	\$2	33,000	\$66,000
\$1 Doubled	\$2	60,000	120,000
\$4	\$4	10,200	40,800
\$2 Doubled	\$4	9,000	36,000.
\$1+\$1+\$2	\$4	12,000	48,000
\$1+\$1+\$1+\$1	\$4	9,000	36,000
\$1 Doubled + \$1 Doubled	\$4	16,500	66,000
\$5	\$5	3,000	15,000
\$2 Doubled + \$1	\$5	3,000	15,000
\$1+\$2+\$2	\$5	3,000	15,000
\$1x5 (BUST)	\$5	3,000	15,000
\$7	\$7	1,800	12,600
\$2+\$5	\$7	1,800	12,600
\$1+\$2+\$4	\$7	1,800	12,600
\$1+\$1+\$1+\$2 Doubled	\$7	1,800	12,600
\$2+\$2+\$2+\$1	\$7	1,800	12,600
\$1x5 (BUST) + \$1 Doubled	\$7	1,800	12,600
\$1+\$1+\$1+\$1+\$1+\$1	\$7 \$7	1,800	
\$11	\$11	1,200	12,600
\$1+\$1+\$2 Doubled + \$5	\$11		13,200
\$1+\$1+\$2 Doubled + \$2 Doubled	\$11 \$11	1,800	19,800
\$1 + \$2x5 (BUST)		1,800	19,800
	\$11	2,100	23,100
\$21 \$5+\$ 5 +\$11	\$21	645	13,545
	\$21	900	18,900
\$1 + \$5 Doubled + \$5 Doubled	\$21	1,050	22,050
\$1+\$5+\$5+\$5	\$21	1,200	25,200
\$1+\$1+\$1+\$2+\$4+\$4+\$4	\$21	1,200	25,200
\$2 Doubled + \$2 Doubled + \$4+\$4+\$5	\$21	1,200	25,200
\$1+\$1+\$1+\$4+\$4 (BUST) + \$2x5 (BUST)	\$21	1,200	25,200
\$70	\$70	240	16,800
\$2+\$2+\$11 Doubled + \$21 Doubled	\$70	255	17,850
\$2+\$11+\$11+\$11+\$7x5 (BUST)	\$70	270	18,900
\$7x5 (BUST) + \$7x5 (BUST)	\$70	300	21,000
\$1+\$1+\$4+\$5+\$7 (BUST)+ \$11x5 (BUST)	\$70	300	21,000
\$1+\$2+\$21 Doubled + \$5x5	\$70	300	21,000
\$110	\$110	99	10,890
\$2+\$2+\$7+\$7+\$11 Doubled +\$70	\$110	105	11,550
\$11x5 (BUST) + \$11x5 (BUST)	\$110	120	13,200
\$210	\$210	12	2,520
\$70+\$70+\$70	\$210	12	2,520
\$2+\$5+\$21+\$21+\$21+\$70 Doubled	\$210	18	3,780
\$21x5 (BUST) + \$21x5 (BUST)	\$210	18	3,780
\$2,100	\$2,100	11. 6 AT 1	12,600
\$210x5 (BUST) + \$210x5 (BUST)	\$2,100	6	12,600
\$21,000	\$21,000	. 7	147,000
Total		190,663	\$1,129,185
		170,003	\$1,129,185

(b) The executive director may terminate the sale of tickets prior to the complete sale of all tickets. In this event, the number and value of prizes will be approximately proportional to the number of tickets actually sold. The odds of winning a prize in this game are one in 4.72.

(c) All prizes are subject to deductions provided by law. (d) Additional ticket orders shall have the same prize structure, the same number of prizes per prize pool of 300,000 tickets and the same odds as were contained in the initial ticket order. (Authorized by K.S.A. 1999 Supp. 74-8710; implementing K.S.A. 1999 Supp. 74-8710 and

Article 7.—ON-LINE GAMES

K.S.A. 74-8720; effective, T-111-2-25-00, Feb. 18, 2000.)

111-7-142. Gage Center Bowl promotion. (a) During the period beginning March 4, 2000, through and including May 21, 2000, on Saturdays and Sundays only, the Kansas Lottery will conduct the Gage Center Bowl promotion.

(b) The promotion will be conducted at Gage Center Bowl, 4200 Huntoon, Topeka, Kansas, during the Kansas State Women's Bowling Tournament conducted during this period of time.

(c) At the beginning of each match in the tournament, the first woman to bowl on each team of four to six bowlers shall be given possession of a coupon for a \$1 play in the Kansas lottery keno game. The bowler will retain possession of the coupon unless and until she fails to bowl a strike or spare with the first two balls in any frame, at which time the coupon will be passed to the next bowler on her team. This procedure shall continue throughout the match with the coupon being passed to the next person if the holder fails to bowl a strike or spare in any frame. At the end of the match, the player having the coupon in her possession shall become owner of the coupon

(d) The Kansas lottery shall provide retailer with coupons for this promotion, the number of which shall not exceed 1,500. Each coupon will entitle the holder to a \$1 Kansas lottery keno play at Gage Center Bowl only. Each coupon shall bear an expiration date of June 30, 2000.

(e) The coupons will be distributed by retailer to the bowlers at the time of registration prior to each match.

(f) Retailer shall maintain a coupon log form to be completed at the time coupons are distributed. All coupons not distributed pursuant to these rules shall be returned by retailer to the lottery. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

"Gage Center Bowl Perk-A-Clerk Promotion"

shall conduct a drawing entitled "Gage Center Bowl Perk-A-Clerk Promotion." The drawing will be held at approximately 10:00 a.m. on Friday, May 26, 2000, at Gage Center Bowl located at 4200 Southwest Huntoon, Topeka, Kansas. Rules applicable to the "Gage Center Bowl Perk-A-Clerk Promotion" are contained in K.A.R. 111-7-143 through 111-7-147 and K.A.R. 111-6-1 et seq. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-7-144. Prize. The first prize winner selected in the "Gage Center Bowl Perk-A-Clerk Promotion" shall receive a portable stereo ("boom box") selected by the lottery. After the prize provided by the lottery has been awarded, other prizes may be awarded which are provided by Gage Center Bowl and other vendors. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-7-145. Method of entry. Entry into the "Gage Center Bowl Perk-A-Clerk Promotion" to be conducted on May 26, 2000, shall be accomplished as follows:

(a) A Gage Center Bowl clerk may obtain a valid "Gage Center Bowl Perk-A-Clerk Promotion" entry form which is issued following every fifth wager transaction involving the on-line game Keno offered by the Kansas lottery that occurs at the Gage Center Bowl, 4200 Southwest Huntoon, Topeka, Kansas. The promotion will run on Saturdays and Sundays only from March 4, 2000, through May 21, 2000, from 9:00 a.m. through the end of the business day as defined by K.A.R. 111-6-1 each Saturday and Sunday. Entry forms will automatically be issued by the

on-line terminal at the Gage Center Bowl at which each fifth transaction occurs. A transaction for this promotion is the single purchase of one or more Keno on-line tickets for which a single ticket is issued by a lottery terminal. Entry forms shall include blank lines upon which the employee's name, address and phone number may be inserted. Only valid entry forms issued during the dates and times stated above by Gage Center Bowl which are completed and received by the time specified in subsection (g) shall be eligible for the drawing.

(c) Each individual entry form shall constitute one en-

try

(d) Entries shall be delivered to the person designated

by Gage Center Bowl to receive the entries.

(e) The holder of the entry form must complete the information on each entry form in a legible manner. Only one name shall appear on entry forms on any one entry.

(f) There is no limit on the number of entries a person may make and no limit on the number of prizes a person

may win in the drawing.

(g) All valid entry forms which are delivered pursuant to subsection (d) prior to the drawing shall be entered into the drawing.

(h) Eligible entrants must be 18 years of age or older.

(i) Only officers and employees of Gage Center Bowl are eligible to enter this promotion or win a prize. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-7-146. Selection of winners. The following process shall be used for the selection of winners in the "Gage Center Bowl Perk-A-Clerk Promotion" drawing:

(a) The drawing shall be held at Gage Center Bowl located at 4200 Southwest Huntoon in Topeka, Kansas, with the Kansas lottery promotion coordinator present.

(b) Prior to the drawing, the drum or receptacle containing all entries shall be sealed and the contents mixed by rotating the drum at least five times, if a drum is used, or by mixing the contents with a shovel or by other means for at least three minutes if another type receptacle is used.

(c) The designated individual shall then unseal the drum or receptacle, and using the bare-arm technique, remove one entry from the drum or receptacle and certify it as valid for the first prize.

(d) After the first prize has been awarded, additional entries may be drawn and identified in the same manner as in subsection (c) to award additional prizes which may be provided by Gage Center Bowl and other vendors.

(e) The Kansas lottery promotion coordinator shall be present for said drawing and shall review each entry drawn to determine the validity of the entry into the "Gage Center Bowl Perk-A-Clerk Promotion" in accordance with these regulations. If it is a valid entry form and the name is legible, the promotion coordinator shall record the name of the winner.

(f) If an entry form is determined to be ineligible, it shall be discarded by the promotion coordinator present and another entry form will be drawn. This procedure will be

repeated until valid selections are obtained.

(g) The person whose name appears on each entry form on the entry drawn shall win the prize identified in K.A.R. 111-7-144, subject to validation by the lottery as set forth in these rules.

(continued)

(h) All "Gage Center Bowl Perk-A-Clerk Promotion" forms remaining in the drum or receptacle on May 26, 2000, after the winners have been selected and certified shall be destroyed. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

111-7-147. Rights of participants. Any Kansas entry form entered into the "Gage Center Bowl Perk-A-Clerk Promotion" is disqualified from any other Kansas lottery prize or eligibility for which that entry form may have been redeemable. (Authorized by and implementing K.S.A. 1999 Supp. 74-8710; effective, T-111-2-25-00, Feb. 18, 2000.)

Gregory P. Ziemak Executive Director

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(Editor's Note: The following opinions, which are published pursuant to K.S.A. 46-254, were inadvertently omitted from publication upon their filing with the Secretary of State's Office last year.)

State of Kansas

Governmental Ethics Commission

Opinion No. 1999-9

Written April 15, 1999, to Leslie Ward, Captain, Lansing Correctional Facility, Lansing.

This opinion is in response to your letter of April 1, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as a uniformed Captain at the Lansing Correctional Facility (Lansing). You have advised us that several of your family members, including your wife and your son, work at Lansing. You have explained that you are considering applying for a uniformed major position at the Lansing Facility and in that position, you might be called upon to make decisions regarding your family members. You would like to know whether you could avoid problems with the nepotism statute if you delegated decisions involving the appointment, promotion, transfer, advancement, or discipline of your family members to subordinate staff.

Ouestion

Is it a violation of K.S.A. 46-246a for a state employee to delegate decisions involving the appointment, promotion, transfer, advancement, or discipline of family members to subordinate staff?

Opinion

K.S.A. 46-246a applies to your question. It states in pertinent part:

- "(a) From and after the effective date of this act, no state officer or employee shall advocate or cause the employment, appointment, promotion, transfer or advancement to any office or position of the state, of a member of such officer's or employee's household or a family member.
- "(b) No state officer or employee shall participate in an action relating to the employment or discipline of a member of the officer's or employee's household or a family member."

The question you have posed calls for us to determine whether a supervisor may delegate his or her authority over employment issues to a subordinate member of his or her staff in order to comply with this statute.

The Commission has previously held that this section does not preclude a state employee from being in a position to exercise authority over a subordinate family member. Rather, the section prohibits the exercise of that discretion in the areas of appointment, promotion, transfer, advancement and discipline. See Commission Opinion 1993-37. So long as the supervising employee sets up a committee or a chain of command to handle situations which involve his or her family members, and he or she does not participate in any degree in those situations, there will be no violation of the statute even if the committee or chain of command consists of the supervising employee's subordinates. One way to avoid participation in these situations would be to set up the chain of command from among those who are outside your direct authority and thereby avoid the appearance of impropriety.

We pause to note that we make no determination as to whether your acceptance of this position in any way violates or conforms with Kansas Department of Corrections policies or procedures.

Opinion No. 1999-10

Written April 15, 1999, to Tracy D. Streeter, Executive Director, State Conservation Commission, Topeka.

This opinion is in response to your letter of March 31, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46215 et seq.) and the local level conflict of interest laws (K.S.A. 75-4301 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq. and K.S.A. 75-4301 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as the Executive Director of the State Conservation Commission (SCC). You have informed us that the SCC will be entering into a contract with the Marmaton Watershed District (Marmaton) to construct a multipurpose lake in Bourbon County. Marmaton and the Bourbon County Consolidated Rural Water District No. 2 (Water District) are cosponsors of this project with the Water District providing the majority of the local funds for the project. You have explained that the president of the Water District owns a construction company and intends to offer a bid for this project. You have also informed us that this project will be let after competitive bidding which will be advertised for by published notice.

Question

Would there be a conflict of interest if the president of the water district were to receive the construction contract after the competitive bidding procedure?

Opinion

For possible conflicts involving the SCC we must look to the state level conflict of interest laws which may be found in K.S.A. 46-215 *et seq.*, and specifically to K.S.A. 1998 Supp. 46-233, which places limitations on the contracts in which state officers or employees may participate. The limitations imposed by subsection (a) of this statute do not apply to contracts let after competitive bidding:

- "(d) Subsections (a) and (b) shall not apply to the following:
- "(1) Contracts let after competitive bidding has been advertised for by published notice;"

Therefore, there can be no conflict problems pursuant to K.S.A. 46-233 in the situation you have described because the contract at issue will be let after a competitive bid procedure which will be advertised for by published notice.

To address any possible conflicts which may develop for the President of the Water District, we must turn to the local level conflict of interest laws which may be found at K.S.A. 75-4301 et seq. There is nothing in the local level conflict of interest laws which would prohibit the situation you have described. It should be noted that if the President has not already filed a disclosure of his interest in this company, he must file a written report disclosing the nature of his interest before acting upon any matter which will affect this company. See K.S.A. 75-4305.

Opinion No. 1999-11

Written April 15, 1999, to Carmon Burris, Hartford City Clerk.

This opinion is in response to your letter of March 15, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the local conflict of interest law (K.S.A. 75-4301 *et seq.*). We note at the outset that the Commission's jurisdiction concerning your question is limited to the application of K.S.A. 75-4301 *et seq.* Thus, whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as City Clerk for the City of Hartford. You advise us that your husband, Wesley Burris, is the only full-time employee for the City of Hartford, and that your son, Steven Burris, is currently running for Mayor of Hartford.

Question

Is it a violation of the local level conflict of interest laws for an individual to be elected Mayor, when that individual's father and mother are employed by the City?

Opinion

We have reviewed the local level conflict of interest laws (K.S.A. 75-4301a et seq.) in their entirety, and nothing in those laws applies to your question. Therefore, the sit-

uation you describe would not be a violation of those laws.

Opinion No. 1999-12

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Written April 15, 1999, to Lee Masenthin, Foods & Feeds Manager, Kansas Department of Commerce and Housing, Topeka.

This opinion is in response to your letter dated April 5, 1999, in which you request an opinion from the Karsas Governmental Ethics Commission concerning the State level governmental ethics laws (K.S.A. 46215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as Foods & Feeds Manager for the Agriculture Products Development Division of the Kansas Department of Commerce & Housing (KDOCH). Your office has informed us that you are a classified employee. You have informed us that you have been nominated to attend a training course sponsored by the Kansas Agriculture and Rural Leadership Program (KARL). This course will cost \$2,000 and the KDOCH has agreed to pay \$1,200. In return for their monetary support, you will be obligated to continue working for them for two years following your graduation from this course. You would like to solicit donations from private industries to offset the remaining \$800.

Ouestion

May you solicit donations from private industries to offset the remaining \$800?

Opinion

To address this question we must look to K.S.A. 46-237a which applies to the governor, the lieutenant governor, the governor's spouse, all classified employees, and those unclassified employees in the executive branch whose compensation is subject to approval by the governor pursuant to K.S.A. 75-2935b. It states in pertinent part:

- "(b) No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position, except:
- "(1) A gift having an aggregate value of less than \$40 given at a ceremony or public function where the person is accepting the gift in such person's official capacity; or
- "(2) gifts from relatives or gifts from personal friends when it is obvious to the person that the gift is not being given because of the person's official position; or
- "(3) anything of value received by the person on behalf of the state that inures to the benefit of the state or that becomes the property of the state; or
- "(4) contributions solicited on behalf of a nonprofit organization which is exempt from taxation under paragraph (3) of subsection (c) of section 501 of the internal revenue code of 1986, as amended." (Emphasis added.)

Under K.S.A. 46-237a, state employees are entirely prohibited from soliciting gifts unless one of the four enu-(continued) merated exceptions applies. Under the circumstances you have described, subsection (3) would apply. You have explained that the KDOCH is willing to pay a significant portion of the costs associated with the course and that you will be obligated to work for them for a period of two years after completion of the course. In addition, this course is completely consistent with your position and with the object of your division of the KDOCH. Therefore, under these unique circumstances, the KDOCH will receive the value of your completing this agricultural leadership course, and therefore, pursuant to K.S.A. 46-237a, you may solicit donations for the remaining costs of the course.

We must also address K.S.A. 46-236, however. It applies to all state employees and provides in pertinent part:

"No state officer or employee . . . shall solicit any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service from any person known to have a special interest, under circumstances where such officer [or] employee . . . knows or should know that a major purpose of the donor in granting the same could be to influence the performance of the official duties or prospective official duties of such officer [or] employee "

Under this section you may not solicit any economic opportunity, gift, special discount, etc., from any person known to have a special interest when you know or should know that a major purpose of the donor in granting that gift or discount could be to influence you in the performance of your official duties. Absent the special interest or a major purpose to influence from the donor, you will be able to solicit donations from local industries to offset the remaining \$800 cost of the course so long as the other statutes are followed.

Opinion No. 1999-13

Written April 15, 1999, to James E. Rumsey, Attorney at Law, Lawrence.

This opinion is in response to your letter of March 24, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission (GEC) concerning the Campaign Finance Act (K.S.A. 25-4142 et seq.) and the local conflict of interest law (K.S.A. 75-4301 et seq.). We note at the outset that the Commission's jurisdiction concerning your question is limited to the application of K.S.A. 25-4142 et seq. and K.S.A. 75-4301 et seq. Thus, whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as the Attorney for Sheriff of Shawnee County, David Meneley. You have informed us that there may be a petition filed calling for the recall of Sheriff Meneley and that, if that occurs, Sheriff Meneley will incur legal expenses in the defense of his elected position.

Question

L May Sheriff Meneley use campaign funds to defray the legal expenses incurred in defending against a recall proceeding?

May Sheriff Meneley set up a legal defense fund and solicit contributions to that fund to help defray these expenses?

Opinion

K.S.A. 1998 Supp. 25-4157a(a), is applicable to your question. In pertinent part, that section states:

"No moneys received by any candidate or candidate committee of any candidate as a contribution under this act shall be used or be made available for the personal use of the candidate and no such moneys shall be used by such candidate or candidate committee of such candidate except for:

- (1) legitimate campaign purposes;
- (2) expenses of holding political office;

"For the purpose of this section, expenditures for personal use shall include expenditures to defray normal living expenses for the candidate or the candidate's family and expenditures for the personal benefit of the candidate having no direct connection with or effect upon the campaign of the candidate or the holding of public office."

The issue is whether the expenses you have described are being used for the purpose "of holding political office." The Commission has held in the past that campaign funds may be used to defray the legal costs associated with the defense of a candidate's candidacy and election and the demand for campaign related documents in a civil action not involving any wrong doing on the candidate's part. See GEC Opinion 1979-6 and 1998-35.

In the particular factual scenario you have described, the Sheriff will be required to seek legal assistance in order to defend his elected position. Under these circumstances, the legal expenses contemplated have a direct connection to the holding of public office and, therefore, the sheriff may use campaign funds to pay for the legal fees he will incur.

You also question how Sheriff Meneley must report the use of these funds. Pursuant to K.S.A. 25-4149, any contributions received or expenditures made after January I following the general election date until and including the next primary election date shall be allocated to that primary election period. In this case, Sheriff Meneley was elected in 1996. Therefore, this primary election period runs from January 1, 1997 through the primary election date in the year 2000. Pursuant to K.S.A. 25-4153(a)(2), no person may make an aggregate contribution in excess of \$500 for each primary election. In addition, any contributions received or expenditures made prior to January 1, 2000, must be reported on Sheriff Meneley's January 10, 2000 receipts and expenditures report.

To answer your second question, we must look to the local level conflict of interest laws which may be found at K.S.A. 75-4301 et seq. Unlike the state level conflict of interest laws, the local level conflict of interest laws do not contain prohibitions on solicitations. Therefore, there is nothing in the local level conflict of interest laws which would prohibit Sheriff Meneley from setting up a separate legal defense fund and soliciting contributions for that fund. It should be noted, however, that pursuant to K.S.A. 75-430la(3) if Sheriff Meneley receives, without reasonable and valuable consideration, goods or services having an aggregate value of \$500 or more from a business or combination of businesses, Sheriff Meneley will have a substantial interest in that business or combination of businesses and, therefore, must report that interest on his Statement of Substantial Interest form.

In conclusion, Sheriff Meneley may use campaign funds to pay for legal expenses associated with the de-

fense of any recall petition which may be filed. In addition, he may set up a separate legal defense fund and solicit contributions for that fund.

Opinion No. 1999-14

Written April 15, 1999, to the Honorable Tim Huelskamp, State Senator, Fowler.

This opinion is in response to your letter dated April 10, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the State level governmental ethics laws (K.S.A. 46215 et seq.) and the Campaign Finance Act (K.S.A. 25-4142 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46215 et seq. and K.S.A. 25-4142 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as a Kansas State Senator and that you ask the following questions:

Ouestions

I. Is it a violation of the State governmental ethics or campaign finance laws to use state property or equipment to prepare and distribute, to governmental employees, the media or other persons, information which solicits opposition or support of a legislator's actions or which criticizes or makes comments of a personal nature regarding a legislator?

II. Is it an unlawful use of state property or equipment to prepare and distribute, to governmental employees, the media or other persons, information which solicits opposition or support of a legislator's actions or which criticizes or makes comments of a personal nature regarding a legislator?

Opinion

We have reviewed the State level governmental ethics laws (K.S.A. 46-215 et seq.) and the Campaign Finance Act (K.S.A. 25-4142 et seq.) and have found no provisions which preclude the situation you have described. Because our jurisdiction is limited to questions involving these laws, we suggest that you contact the Attorney General's office to determine if other laws are triggered by your questions.

Opinion No. 1999-15

Written May 20, 1999, to Todd W. Pesch, Public Lands Manager, McPherson Valley Wetlands, Kansas Department of Wildlife and Parks, McPherson.

This opinion is in response to your letter of April 26, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you are requesting this opinion in your capacity as a Public Lands Manager for the Kansas Department of Wildlife & Parks (KDWP) at the McPherson Valley Wetlands. You have explained that as a wetlands manager, you provide habitat for water fowl which provides public hunting opportunities for all sportsmen. You are interested in becoming a duck hunting boat dealer. Your agency does not purchase, sell or manufacture duck hunting boats.

Question

Is it a violation of the state level conflict of interest laws for the Public Lands Manager for the Kansas Department of Wildlife & Parks to become a duck hunting boat dealer?

Opinion

Three statutes apply to the question you have raised: K.S.A. 1998 Supp. 46-233(a), which involves participation in the making of contracts; K.S.A. 1998 Supp. 46-235, which governs restrictions on compensation of state employees; and K.S.A. 46-241, which involves the use of confidential information. Each of these statutes will be addressed in turn.

K.S.A. 1998 Supp. 46-233(a) states in pertinent part:

"(a)(1) No state officer or employee shall in the capacity as such officer or employee be substantially involved in the preparation of or participate in the making of a contract with any person or business by which such officer or employee is employed.

Under this provision, you are prohibited, as a state employee, from being substantially involved in the preparation of or from participating in the making of a contract with the business for which you will be employed. So long as you, as a state employee on behalf of the state, do not contract with yourself as a duck hunting boat dealer, you may provide duck hunting boats to private citizens without violating K.S.A. 1998 Supp. 46-233(a).

K.S.A. 1998 Supp. 46-235 states in pertinent parts and

"No state officer or employee shall accept compensation for performance of official duties, other than that to which such person is entitled for such performance.... The receipt of wages or salary from an individual's non-state employer during a period of service as a state officer or employee shall not be construed as compensation for performance of official duties."

Pursuant to this statute, so long as it is not part of your current state duties to sell or provide to the public duck hunting boats, K.S.A. 1998 Supp. 46-235 would not prohibit you from accepting compensation as a duck hunting boat dealer.

Finally, K.S.A. 46-241 states:

"No state officer or employee shall disclose or use confidential information acquired in the course of his or her official duties in order to further his or her own economic interest or those of any other person."

This section is self-explanatory. Confidential information obtained during your official duties with the state may not be used for your financial gain or the financial gain of another.

In conclusion, K.S.A. 1998 Supp. 46-233(a)(1) does not prohibit you from becoming a boat dealer, so long as you do not, in your capacity as a state employee, participate in the making of any contracts between the state and your duck hunting boat business. Pursuant to K.S.A. 46-235, as long as it is not part of your current state duties to sell or provide duck hunting boats, you would not be prohibited

from accepting compensation for providing these boats. Finally, confidential information obtained during your official duties with the state may not be used for your financial gain or the financial gain of another.

Opinion No. 1999-16

Written May 20, 1999, to Linden G. Appel, Deputy Chief Legal Counsel, Kansas Department of Corrections, Topeka.

This opinion is in response to your letter dated April 30, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the State level governmental ethics laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as Deputy Chief Legal Counsel for the Kansas Department of Corrections. You have explained that the Employee Wellness Committees established by the Department of Corrections promote employee health and fitness and are organized by volunteers who are permitted a reasonable amount of work hours to plan and work on the various Committee projects. In the past, these Committees have sponsored fitness runs and wellness days and even provided weight-lifting equipment for employee exercise/workout rooms. In order to help finance such activities and to provide prizes and awards for participants in such events, the Committee members have solicited donations of money or goods from local citizens and merchants. At the present time, these committees have not been incorporated as charitable, non-profit organizations under Kansas Statutes, nor have they been recognized as non-profit corporations pursuant to the Internal Revenue Code of 1986, §§ 501(c)(3).

Questions

I. May an Employee Wellness Committee which has not been incorporated as a charitable, non-profit organization under Kansas statutes nor granted tax-exempt status pursuant to section 501(c)(3) of the Internal Revenue Code, but which nonetheless meets all the substantive legal criteria for such incorporation and tax status, qualify for the exemption set forth at K.S.A. 46-237a(b)(4)?

II. May an Employee Wellness Committee which has not been incorporated as a charitable, non-profit organization under Kansas statutes, but which is otherwise organized and operated for the purposes of promoting the health, fitness, and physical welfare of state employees qualify for the exemption set forth at K.S.A. 46-237a(b)(4)?

III. May an Employee Wellness Committee which has been incorporated as a charitable, non-profit organization under Kansas statutes, but which has not yet been formally granted tax-exempt status pursuant to section 501(c)(3) of the Internal Revenue Code, qualify for the exemption set forth at K.S.A. 46-237a(b)(4)?

Opinion

You have asked about the application of K.S.A. 46-237a(b)(4) to the solicitation for Employee Wellness Com-

mittees by state employees. This statute applies only to the governor, the lieutenant governor, the governor's spouse, all classified employees, and those unclassified employees in the executive branch whose compensation is subject to approval by the governor pursuant to K.S.A. 75-2935b. K.S.A. 46-237(a)(b)(4) states in pertinent part:

"(b) No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position, except:

"(4) contributions solicited on behalf of a nonprofit organization which is exempt from taxation under paragraph (3) of subsection (c) of section 501 of the internal revenue code of 1986, as amended."

Under K.S.A. 46-237a, state employees are entirely prohibited from soliciting gifts unless one of the four enumerated exceptions applies. Subsection (b)(4) permits solicitation on behalf of organizations which have achieved tax exempt status pursuant to section 501(c)(3) of the internal revenue code of 1986. In each of the scenarios you have posed, the Wellness Committees have not yet achieved this status, although they may be able to do so at a future date. Under these circumstances, the employees of the Wellness Committees may not solicit donations pursuant to the exception listed in K.S.A. 46-237a(b)(4).

Opinion No. 1999-17

Written May 20, 1999, to Harold F. Allen, Superintendent, Atchison Juvenile Correctional Facility.

This opinion is in response to your letter dated May 5, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the State level governmental ethics laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as Superintendent of the Atchison Juvenile Correctional Facility (AJCF). You have explained that the AJCF will host the 45th Annual Western Conference of Training Schools and Juvenile Agencies (the Conference). Individuals from training schools and juvenile justice agencies located in states that lie west of the Mississippi River, along with employees from detention facilities and community correction facilities in Kansas will attend this conference. A registration fee will be charged to all conference attendees.

You are considering allowing vendors to set up exhibit booths for conference attendees to visit. Your agency does not license or regulate any of these potential vendors. In addition, you have been informed that a vendor may wish to set up a hospitality room and provide snack foods, soft drinks and alcoholic beverages for visitors. Similarly, the AJCF is considering hosting a reception during which you will provide snack foods, soft drinks and alcoholic beverages. Finally, you are considering holding random drawings and offering door prizes.

Questions

You ask numerous questions which will be addressed individually below.

Opinion

You have asked about the ability of classified employees to accept and solicit gifts. K.S.A. 1998 Supp. 46-237a applies to the governor, the lieutenant governor, the governor's spouse, all classified employees, and those unclassified employees in the executive branch whose compensation is subject to approval by the governor pursuant to K.S.A. 75-2935b. It states in pertinent part:

- "(b) No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position, except:
 - "(1) A gift having an aggregate value of less than \$40 given at a ceremony or public function where the person is accepting the gift in such person's official capacity; or
 - "(2) gifts from relatives or gifts from personal friends when it is obvious to the person that the gift is not being given because of the person's official position; or
 - "(3) anything of value received by the person on behalf of the state that inures to the benefit of the state or that becomes the property of the state; or
 - "(4) contributions solicited on behalf of a nonprofit organization which is exempt from taxation under paragraph (3) of subsection (c) of section 501 of the internal revenue code of 1986, as amended.
- "(c) No person subject to the provisions of this section shall solicit or accept free or special discount meals from a source outside of state government, except:
 - "(1) Meals, the provision of which is motivated by a personal or family relationship or provided at events that are widely attended. An occasion is "widely attended" when it is obvious to the person accepting the meal that the reason for providing the meal is not a pretext for exclusive or nearly exclusive access to the person;
 - "(2) meals provided at public events in which the person is attending in an official capacity;
 - "(3) meals provided to a person subject to this act when it is obvious such meals are not being provided because of the person's official position; and
 - "(4) food such as soft drinks, coffee or snack foods not offered as part of a meal."

Pursuant to this statute, state employees are entirely prohibited from soliciting or accepting gifts unless one of the four enumerated exceptions applies.

We now turn to your specific questions:

I. May Classified State Employees Accept Free Promotional Items from Vendors at the Vendors Exhibit Booths?

K.S.A. 1998 Supp. 46-237a(b), prohibits the acceptance of gifts by a state employee "provided because of such person's official position." Because this conference is not open to the public, the Kansas state classified employees attending it will not be able to accept promotional items provided by the vendors. See also Commission Opinion 1997-20.

II. May Classified State Employees Accept Free Promotional Items from Vendors Included in a Registration Packet Given to All Conference Attendees?

If the registration fee covered the costs of the items, then the receipt of the package is not truly a "gift" and, therefore, could be accepted by the employees. See also Commission Opinion 1997-20.

III. May State Employees Attending the Conference Visit a Hospitality Room or a Reception and Accept Snack Foods, Soft Drinks and Alcoholic Beverages?

Subsection (c)(4) allows state employees to receive food such as soft drinks, coffee or snack foods not offered as part of a meal. The items you have described would fit under this exception.

IV. May a State Employee subject to K.S.A. 46-237a Accept Unsolicited Items for Inclusion in a Registration Packet Given to All Conference Attendees or for a Truly Random Door Prize Drawing?

A state employee's acceptance of unsolicited gifts for the agency is covered by K.S.A. 1998 Supp. 46-237(c), which states:

"No person licensed, inspected or regulated by a state agency shall offer, pay, give or make any economic opportunity, gift... or service having an aggregate value of \$40 or more in any calendar year to such agency or any state officer or employee... of that agency."

Therefore, so long as the business administrator does not accept gifts from persons licensed, inspected or regulated by your agency, he or she may accept unsolicited gifts on behalf of AJCF.

V. May a State Employee Subject to K.S.A. 46-237a Accept Unsolicited Alcoholic Beverages from a Local Distributor for Use at the Reception, When the Local Distributor Has No Business Dealings or Special Interest in the AJCF?

The answer to this question is the same as the answer to question IV above.

VI. May a Classified AJCF Business Administrator Solicit Items for Inclusion in a Registration Packet Given to All Conference Attendees or for a Truly Random Door Prize Drawing?

K.S.A. 1998 Supp. 46-236 applies when you attempt to solicit gifts for your agency. It states in pertinent part:

"No state officer or employee . . . shall solicit any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service from any person known to have a special interest, under circumstances where such officer [or] employee . . . knows or should know that a major purpose of the donor in granting the same could be to influence the performance of the official duties or prospective official duties of such officer [or] employee . . . "

K.S.A. 46-228 defines "special interest" in the following manner:

"'Special interest' means an interest of any person as herein defined (1) concerning action or non-action by the legislature on any legislative matter affecting such person as distinct from affect upon the people of the state as a whole, or (2) in the action or non-action of any state agency or state officer or employee upon any matter affecting such person as distinct from affect upon the people of the state as a whole."

Under this section the business administrator may not solicit any economic opportunity, gift, special discount, etc., from any person known to have a special interest when the administrator knows or should know that a major purpose of the donor in granting that gift or discount could be to influence the performance of official duties. Absent the special interest or a major purpose to influence, the employee will be able to solicit gifts for the agency pursuant to K.S.A. 1998 Supp. 46-236.

(continued)

In addition, we must address K.S.A. 1998 Supp. 46-237a(b) which states in pertinent part:

"(b) No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position, except: . . .

"(4) contributions solicited on behalf of a nonprofit organization which is exempt from taxation under paragraph (3) of subsection (c) of section 501 of the internal revenue code of 1986, as amended."

Pursuant to this statute, state employees are entirely prohibited from soliciting gifts unless one of the four exceptions applies. In the specific factual scenario you have detailed for us, the classified employee will be soliciting on behalf of the agency. The gifts he or she collects will become the property of the state. Therefore, the classified employee may solicit donations for inclusion in a registration packet given to all conference attendees or for a truly random door prize drawing, so long as the other statutes are followed.

VII. May a State Employee, subject to K.S.A. 46-237a, Solicit Alcoholic Beverages from a Local Distributor for Use at the Reception When the Local Distributor Has No Business Dealings or Special Interest in the AJCF?

The answer to this question is the same as the answer to question number VI above.

Opinion No. 1999-18

Written May 20, 1999, to Todd W. Pesch, Public Lands Manager, McPherson Valley Wetlands, Kansas Department of Wildlife and Parks, McPherson.

This opinion is in response to your letter of April 26, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you are requesting this opinion in your capacity as a Public Lands Manager for the Kansas Department of Wildlife & Parks (KDWP) at the McPherson Valley Wetlands. You have explained that in 1997, you received an opinion from this Commission indicating that it would not be a violation of the state level conflict of interest laws for you to serve as a member of the Ducks Unlimited (DU) MARSH Committee even though, as a state employee, you would be submitting state projects to this Committee and, as a committee member, would be called upon to vote on those projects.

You have informed us that you have recently been elected Chairman of this Committee, and that as such, you will be touring the sites of projects submitted to the Committee, but you will no longer be a voting member. As a state employee, you will continue to submit projects to the MARSH Committee.

Question

Is it a violation of the state level conflict of interest laws for the Public Lands Manager for the Kansas Department

of Wildlife & Parks to act as Chairman of the MARSH Committee?

Opinion

We have reviewed the state level conflict of interest laws and nothing in those laws prohibits you from accepting the position as chairman of the MARSH Committee. As we noted in our previous opinion, nothing in the state level conflict of interest laws prohibits you from submitting state projects to this private sector organization and then, on behalf of that organization, requesting that the members of the MARSH committee vote on those projects. However, K.S.A. 46-241 would prevent you from using confidential information acquired in the course of your state duties to further the economic interests of yourself or any other person.

In addition, K.S.A. 1998 Supp. 46-233(a) may apply. It

states in pertinent part:

"(a)(1) No state officer or employee shall in the capacity as such officer or employee be substantially involved in the preparation of or participate in the making of a contract with any person or business by which such officer or employee is employed or in whose business such officer or employee or any member of such officer's or employee's immediate family has a substantial interest in such person or business."

Pursuant to this statute, you would be prohibited, as a state employee, from being substantially involved in the preparation of or from participating in the making of a contract with a business in which you hold a substantial interest. K.S.A. 46-229 provides the definition of a substantial interest:

- "(a) If an individual or an individual's spouse, either individually or collectively, has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5% of any business, whichever is less, the individual has a substantial interest in that business.
- "(b) If an individual or an individual's spouse, either individually or collectively, has received during the preceding calendar year compensation which is or will be required to be included as taxable income on federal income tax returns of the individual and spouse in an aggregate amount of \$2,000 from any business or combination of businesses, the individual has a substantial interest in that business or combination of businesses.
- "(c) If an individual or an individual's spouse, either individually or collectively, has received directly or indirectly in the preceding 12 months, gifts or honoraria having an aggregate value of \$500 or more from any person, the individual has a substantial interest in that person. If a gift is received for which the value is unknown, the individual shall be deemed to have a substantial interest in the donor. A substantial interest does not exist under this subsection by reason of: (1) A gift or bequest received as the result of the death of the donor; (2) a gift from a spouse, parent, grandparent, sibling, aunt or uncle; or (3) acting as a trustee of a trust for the benefit of another.
- "(d) If an individual or an individual's spouse holds the position of officer, director, associate, partner or proprietor of any business, the individual has a substantial interest in that business, irrespective of the amount of compensation received by the individual or individual's spouse.
- "(e) If an individual or an individual's spouse receives compensation which is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual has a substantial interest in any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual or the individual's spouse, either individually or collectively, received an aggregate of \$2,000 or more in the preceding calendar year.

"As used in this subsection, "client or customer" means a business or combination of businesses."

You have informed us that you do not have an owner-ship interest in DU, that you do not receive compensation for your participation on the MARSH Committee, and that you do not hold the position of officer, director, associate, partner or proprietor for DU. Therefore, you do not have a substantial interest in DU, and would not be prohibited, as a state employee, from participating in contracts between your agency and DU. The Commission notes that your participation in these type of contracts, although not technically a violation of K.S.A. 46-233, may have an appearance of impropriety which you may wish to avoid.

In conclusion, nothing in the state level conflict of interest laws prohibits you from accepting the position as chairman of the MARSH Committee, submitting state projects to this private sector organization and requesting that the members of the MARSH Committee vote on those projects, or from participating, as a state employee, in a contract between DU and the state of Kansas.

Opinion No. 1999-19

Written May 20, 1999, to Mark S. Braun, Staff Attorney, Kansas Department of Administration, Topeka.

This opinion is in response to your letter of April 27, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you request this opinion in your capacity as counsel for Mr. Don Heiman, who is the Director of the Department of Administration's Division of Information Systems and Communications (DISC). You have advised us that Mr. Heiman is an unclassified employee whose salary is subject to approval by the Governor pursuant to K.S.A. 75-2935b. You have explained that Charles and Lucinda Manley recently gave Mr. Heiman and his wife an unsolicited gift of 10,000 shares each of common stock in a company called TimeShift. Mr. Manley and Mr. Heiman have been personal friends for over thirty (30) years and you have informed us that the gift was not intended to influence Mr. Heiman in the performance of his official duties. The value of the stock at the current time is speculative, but it is known that the Manleys' purchased this stock for \$0.13 cents a share during 1997 and 1998. In addition, the Heimans' do not own more than 5% of the TimeShift stock.

Question

Would the acceptance of this stock by Mr. Heiman or his wife cause any violations of any state ethics laws?

Opinior

K.S.A. 1998 Supp. 46-237a is applicable to your question. This section applies only to the governor, the lieutenant governor, the governor's spouse, all classified employees, and those unclassified employees in the executive branch whose compensation is subject to approval by the governor pursuant to K.S.A. 75-2935b. It states in pertinent part:

"(b) No person subject to the provisions of this section shall solicit or accept any gift, economic opportunity, loan, gratuity, special discount or service provided because of such person's official position, except:

"(2) gifts from relatives or gifts from personal friends when it is obvious to the person that the gift is not being given because of the person's official position..."

Because the gift in question is a gift from a long-time personal friend and in no way relates to Mr. Heiman's employment status with DISC, it is a bona fide personal gift and he may accept it.

Once Mr. Heiman accepts the stock, however, other ethics laws are implicated. There are two statutes which apply to this situation: K.S.A. 1998 Supp. 46-233(a), which involves participation in the making of contracts, and K.S.A. 46-241, which involves the use of confidential information.

K.S.A. 1998 Supp. 46-233(a) states in pertinent part:

"(a)(1) No state officer or employee shall in the capacity as such officer or employee be substantially involved in the preparation of or participate in the making of a contract with any person or business by which such officer or employee is employed or in whose business such officer or employee or any member of such officer's or employee's immediate family has a substantial interest. . . ."

Pursuant to this statute, Mr. Heiman will be prohibited, as a state employee, from being substantially involved in the preparation of or from participating in the making of a contract with a business in which he holds a substantial interest. K.S.A. 46-229 provides the definition of a substantial interest. It states:

- "(a) If an individual or an individual's spouse, either individually of collectively, has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5% of any business, whichever is less, the individual has a substantial interest in that business.
- "(b) If an individual or an individual's spouse, either individually or collectively, has received during the preceding calendar year compensation which is or will be required to be included as taxable income on federal income tax returns of the individual and spouse in an aggregate amount of \$2,000 from any business or combination of businesses, the individual has a substantial interest in that business or combination of businesses.
- "(c) If an individual or an individual's spouse, either individually or collectively, has received directly or indirectly in the preceding 12 months, gifts or honoraria having an aggregate value of \$500 or more from any person, the individual has a substantial interest in that person. If a gift is received for which the value is unknown, the individual shall be deemed to have a substantial interest in the donor. A substantial interest does not exist under this subsection by reason of: (1) A gift or bequest received as the result of the death of the donor; (2) a gift from a spouse, parent, grandparent, sibling, aunt or uncle; or (3) acting as a trustee of a trust for the benefit of another.
- "(d) If an individual or an individual's spouse holds the position of officer, director, associate, partner or proprietor of any business, the individual has a substantial interest in that business, irrespective of the amount of compensation received by the individual or individual's spouse.
- "(e) If an individual or an individual's spouse receives compensation which is a portion or percentage of each separate fee or commission paid to a business or combination of businesses, the individual has a substantial interest in any client or customer who pays fees or commissions to the business or combination of businesses from which fees or commissions the individual or the individual's spouse, either individually or collectively, received an aggregate of \$2,000 or more in the preceding calendar year.

"As used in this subsection, "client or customer" means a business or combination of businesses."

(continued)

Pursuant to subsection (c), it is clear that Mr. Heiman and his wife have a substantial interest in the Manleys. Therefore, Mr. Heiman, as a state employee, would be prohibited from being substantially involved with any

contracts between his agency and Mr. Manley.

Whether Mr. Heiman has a substantial interest in TimeShift will depend upon the value of the stock. If the stock has a value in excess of \$5,000, Mr. Heiman will have a substantial interest in TimeShift. (See K.S.A. 46-229(a),) Pursuant to K.S.A. 46-233(a), if Mr. Heiman has a substantial interest in TimeShift, Mr. Heiman, as a state employee, would be prohibited from being substantially involved with any contracts between his agency and TimeShift.

Finally, K.S.A. 46-241 should be considered. It states:

"No state officer or employee shall disclose or use confidential information acquired in the course of his or her official duties in order to further his or her own economic interest or those of any other person."

This section is self-explanatory. Confidential information obtained during the employee's official duties may not be used for that employee's financial gain or that of another.

In conclusion, it is our opinion that, under the factual situation you have presented, it is not a violation of K.S.A. 1998 Supp. 46-237a for Mr. Heiman or his wife to accept this gift of stock. Pursuant to K.S.A. 46-241, however, confidential information obtained during Mr. Heiman's official duties may not be used for his own economic interest or those of any other person. Additionally, Mr. Heiman has a substantial interest in the Manleys, and, therefore, he, as a state employee, may not be substantially involved in the making of a contract between the Manleys and the State of Kansas. Finally, if, pursuant to K.S.A. 46-229, Mr. Heiman has a substantial interest in TimeShift, he may not be substantially involved in the making of a contract between TimeShift and the State of Kansas. (See K.S.A. 1998 Supp. 46-233(a).)

Opinion No. 1999-20

Written May 20, 1999, to Colleen King, LSCSW, Family and Youth Services, Kansas Department of Social and Rehabilitation Services, Wichita.

This opinion is in response to your letter of April 26, 1999, in which you request an opinion from the Kansas Governmental Ethics Commission concerning the state level conflict of interest laws (K.S.A. 46-215 et seq.). We note at the outset that the Commission's jurisdiction is limited to the application of K.S.A. 46-215 et seq., and whether some other statutory system, common law theory or agency rule or regulation applies to your inquiry is not covered by this opinion.

Factual Statement

We understand that you are asking for this opinion in your capacity as an integrated social worker for the Youth and Family Services Division of the Kansas Department of Social and Rehabilitation Services (SRS). You have explained that you have been employed by SRS for the past 19 and ½ years and that, in this position, you perform abuse and neglect investigations. You have informed us that it is not a part of your duties with SRS to perform counseling or therapy services. You have also explained that for the past 9 years, you have been working for Comprehensive Community Care of Sedgwick County (COM-

CARE) as a therapist. When working for COMCARE, you do not treat clients who are involved with the Youth and Family Services Division of SRS, and you do not sign SRS

forms for your COMCARE patients.

In a telephone conversation with this office, you and your supervisor informed us that you will not refer any of your SRS clients to COMCARE and you will not be involved in the preparation of nor participate in the making of, any contracts with COMCARE.

Question

Is it a violation of the State Governmental Ethics laws for you to work as a therapist for COMCARE while employed for SRS as a Youth and Family Services social worker?

Opinion

Three statutes apply to the question you have raised: K.S.A. 1998 Supp. 46-233(a), which involves participation in the making of contracts; K.S.A. 1998 Supp. 46-235, which governs restrictions on compensation of state employees; and K.S.A. 46-241, which involves the use of confidential information. Each of these statutes will be addressed in turn.

K.S.A. 1998 Supp. 46-233 states in pertinent part:

(a)(1) No state officer or employee shall in the capacity as such officer or employee be substantially involved in the preparation of or participate in the making of a contract with any person or business by which such officer or employee is employed. .

Under this provision, you are prohibited, as a state employee, from being substantially involved in the preparation of or participating in the making of a contract with the business for which you are employed. Because your supervisor is willing to shield you from any involvement in such contracts with COMCARE, your employment with COMCARE does not violate K.S.A. 1998 Supp. 46-233(a).

K.S.A. 1998 Supp. 46-235 states in pertinent part:

'No state officer or employee shall accept compensation for performance of official duties, other than that to which such person is entitled for such performance. . . The receipt of wages or salary from an individual's non-state employer during a period of service as a state officer or employee shall not be construed as compensation for performance of official duties."

Pursuant to this statute, so long as it is not part of your current state duties to perform therapy, K.S.A. 1998 Supp. 46-235 would not prohibit you from accepting compensation for performing therapy for COMCARE.

Finally, K.S.A. 46-241 states:

"No state officer or employee shall disclose or use confidential information acquired in the course of his or her official duties in order to further his or her own economic interest or those of any other person."

This section is self-explanatory. Confidential information obtained during your official duties with the state may not be used for your financial gain or the financial gain of another.

In conclusion, K.S.A. 1998 Supp. 46-233(a)(1) does not prohibit you from performing therapy for COMCARE, so long as you do not, in your capacity as a state employee, participate in the making of any contracts between the state and COMCARE. Pursuant to K.S.A. 46-235, as long as it is not part of your current state duties to perform therapy, you would not be prohibited from accepting compensation for performing therapy for COMCARE. Finally, confidential information obtained during your official duties with the state may not be used for your financial gain or the financial gain of another.

> **Daniel Sevart** Chairman

INDEX TO ADMINISTRATIVE REGULATIONS

This index lists in numerical order the new, amended and revoked administrative regulations and the volume and page number of the Kansas Register issue in which more information can be found. Temporary regulations are designated with a (T) in the Action column. This cumulative index supplements the index to the 1997 Volumes of the Kansas Administrative Regulations and the 1999 Supplement to the Kansas Administrative Regulations.

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28-72-14	New (T)	V. 18, p. 1483	51-9-7	Amended	V. 18, p. 1170	80-1-1	:Amended	V. 18, p. 1230
28-72-14	New	V. 18, p. 1912	AGE	NCY 60: BOARD	OF NURSING	80-1-2	Amended	V. 18, p. 1230
28-72-15	New (T)	V. 18, p. 1484	Reg. No.	Action	Register	80-1-3	Amended	V. 18, p. 1230
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28-72-16	New (T)	V. 18, p. 1484	60-3-106	Amended	V. 18, p. 51	80-1-5	Amended	V. 18, p. 1230
28-72-16	New	V. 18, p. 1913	60-7-101	Amended	V. 18, p. 52	80-1-6	Amended Amended	V. 18, p. 1231
28-72-17	New (T)	V. 18, p. 1485	60-16-101	Amended	V. 18, p. 1558	80-1-9 80-1-10	Amended	V. 18, p. 1231 V. 18, p. 1231
28-72-17	New (T)	V. 18, p. 1914	60-16-102 60-16-104	Amended Amended	V. 18, p. 1558 V. 18, p. 1559	80-1-11	Amended	V. 18, p. 1231
28-72-18 28-72-18	New (T) New	V. 18, p. 1486 V. 18, p. 1915	100	to the second of		80-1-12	Revoked	V. 18, p. 1231
28-72-18		V. 18, p. 1487			MORTUARY ARTS	80-2-1	Amended	V. 18, p. 1231
28-72-18		V. 18, p. 1916	63-4-1	Amended	V. 18, p. 1650	80-3-1	Revoked	V. 18, p. 1232
28-72-18		V. 18, p. 1487	AGEN		OF EXAMINERS	80-3-2	Revoked	V. 18, p. 1232
28-72-18		V. 18, p. 1916		IN OPTOM		80-3-4	Amended	V. 18, p. 1232
28-72-18		V. 18, p. 1488	Reg. No.	Action	Register	80-3-5 80-3-6	Revoked Revoked	V. 18, p. 1232 V. 18, p. 1232
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28-72-19	New (T)	V. 18, p. 1491	AGEN		OF TECHNICAL	80-3-16	Amended	V. 18, p. 1232
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28-72-21	New (T)	V. 18, p. 1491	66-6-6	Amended	V. 19, p. 70	80-4-5	Revoked	V. 18, p. 1233 V. 18, p. 1233
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	105-3-1	Amended				V. 19. p. 15		and the state of t	
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